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February 13, 1998

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EXECUTIVE SECRETARY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

98-00097

Re: Petition of AT&T Communications of the South Central States, Inc,
MCI Telecommunications Corporation, Sprint Communications
Company LP, and WorldCom Network Services, Inc., d/b/a WilTel
Network Services for the Commencement of a Rulemaking
Proceeding to Provide for the Termination of Price Cap Regulation
for Interexchange Carriers and to Amend Rule 1220-4-2-.55(2)
Governing the Regulation of Interexchange Carriers

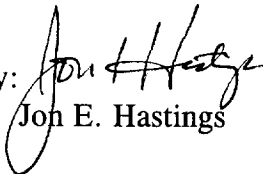
Dear Mr. Waddell:

Enclosed please find an original and thirteen (13) copies of a Petition of AT&T
Communications of the South Central States, Inc., MCI Telecommunications Corporation, Sprint
Communications Company LP and WorldCom Network Services, Inc., d/b/a WilTel Network
Services which we would appreciate your filing. We have also enclosed our firm's check in the
amount of \$25.00 for filing same.

Thanking you for your assistance in this matter, I am

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 
Jon E. Hastings

JEH/th

Enclosures

cc: Michael Nigham, Frontier Communications International, Inc.
L. Vincent Williams, Consumer Advocate Division

OK# 510573
#2500
2/13/98

**BEFORE THE TENNESSEE REGULATORY
NASHVILLE, TENNESSEE**

In re: PETITION OF AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC, MCI TELECOMMUNICATIONS CORPORATION, SPRINT COMMUNICATIONS COMPANY LP, AND WORLDCOM NETWORK SERVICES, INC., d/b/a WILTEL NETWORK SERVICES FOR THE COMMENCEMENT OF A RULEMAKING PROCEEDING TO PROVIDE FOR THE TERMINATION OF PRICE CAP REGULATION FOR INTEREXCHANGE CARRIERS AND TO AMEND RULE 1220-4-2-.55(2) GOVERNING THE REGULATION OF INTEREXCHANGE CARRIERS

Docket No. 98-00097

PETITION OF AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC., MCI TELECOMMUNICATIONS CORPORATION, SPRINT COMMUNICATIONS COMPANY LP, AND WORLDCOM NETWORK SERVICES, INC. d/b/a WILTEL NETWORK SERVICES

AT&T Communications of the South Central States, Inc., MCI Telecommunications Corporation, Sprint Communications Company LP, and WorldCom Network Services, Inc., d/b/a WilTel Network Services (collectively referred to as "the Petitioners"), pursuant to T.C.A. §§4-5-201, 65-2-102, 65-4-104, 65-4-117(3), 65-4-123, 65-5-201, 65-5-202 and 65-5-208(b) file this petition to the Tennessee Regulatory Authority (here "TRA") for the commencement of a rulemaking proceeding to amend Rule 1220-4-2-.55(2) to terminate the existing price cap regulation provided in that rule and to establish a new system for the regulation of the rates of interexchange carriers (here "IXCs") based on the presence of effective competition in the market

for interexchange services and the statutory policy favoring the reduction of regulatory requirements where such competition exists; and for grounds states that:

THE POWER OF THE TRA TO GRANT THIS PETITION

1. Petitioners are corporations organized and existing under the laws of their individual states of incorporation, authorized to do business in Tennessee, operating as Interexchange carriers under various Certificates of Convenience and Necessity issued by the Tennessee Public Service Commission (here "TPSC"). As such, Petitioners are entitled to file a petition for the commencement of a rulemaking proceeding pursuant to T.C.A. §4-5-201.

2. Pursuant to T.C.A. §65-2-102 the TRA has the power to adopt rules implementing, interpreting, or making specific the laws which it administers, consistent with the provisions of such laws; and to amend such rules on the petition of any interested person.

3. Pursuant to T.C.A. §4-5-201 the TRA has the power to entertain this petition for the amendment of the TRA's rules, as therein provided.

4. Pursuant to T.C.A. §65-4-104 the TRA has general supervisory and regulatory power, jurisdiction and control over all public utilities, including these petitioners.

5. Pursuant to T.C.A. §65-4-117(3) the TRA has the power to fix just and reasonable standards, classifications, regulations, practices or services to be furnished, imposed, observed and followed by any public utility.

6. By T.C.A. §65-4-123 the Tennessee General Assembly has declared that the policy of this state is to foster the development of an efficient, technologically advanced, statewide system

of telecommunications services by promoting competition in all telecommunications services markets and by permitting alternative forms of regulation for telecommunications services and providers.

7. Pursuant to T.C.A. §65-5-201 the TRA has the power to fix rates of public utilities, but is not required to adopt any particular system for the regulation of such rates.

8. Pursuant to T.C.A. §65-5-202 the TRA has the power to require public utilities to file schedules or tariffs of rates and charges, but is not required to adopt any particular system of tariff regulation.

9. T.C.A. §65-5-208(b) provides:

The authority, after notice and opportunity for hearing, may find that the public interest and the policies set forth herein are served by exempting a service or group of services from all or a portion of the requirements of this part. Upon making such a finding, the authority may exempt telecommunications service providers from such requirements as appropriate. The authority shall in any event exempt a telecommunications service for which existing and potential competition is an effective regulator of the price of those services.

10. Taken together, the foregoing statutes authorize the TRA to entertain this petition; and, after notice and hearing, as provided by Part 2 of Chapter 5 of Title 4, T.C.A., to amend existing rule 1220-4-2-.55(2) governing the regulation of IXC's, to terminate the existing system of price cap regulation and to establish a new system for the regulation of IXC's based on the presence of effective competition in the market for interexchange services.

THE PRESENT PROVISIONS OF RULE 1220-4-2-.55(2)

11. Since the granting of the first Certificate of Convenience and Necessity to AT&T Communications of the South Central States, Inc., on the divestiture of the Bell operating companies, the TPSC and the TRA have recognized IXC's as a separate and distinct category of telecommunications carrier and provider of telecommunications services. As competition developed in the market for interexchange services, the TPSC reduced the regulatory requirements for IXC's.

12. Effective June 13, 1995, the present IXC rules 1220-4-2-.55(2) were adopted. Subsection (c) of those rule governs "tariffing rules and regulations." Subsections (d), (e) and (f) establish a system of price cap regulation governing the rates and charges of IXC's. The effect of these provisions is to impose regulatory burdens on the IXC's which are no longer necessary to protect the interests of consumers and are no longer in the public interest.

13. The competitive nature of the market for interexchange services, the continuing transformation of the telecommunications industry and the regulatory changes flowing from the Federal Telecommunications Act of 1996 and from Chapter 408 of the Public Acts of 1995, and the ability of Tennesseans readily to exercise their choice in long distance carriers, necessitate the adoption of a revised system for the regulation of IXC's in Tennessee, consistent with the Telecommunications Services Policy declared in T.C.A. §65-4-123 and the public interest.

THE PRESENCE OF EFFECTIVE COMPETITION

14. Existing and potential competition is an effective regulator of the prices for interexchange services. Therefore, the existing price cap system of regulation is not required in the long distance market, and no longer serves the public interest.

15. Competition in the market for interexchange services is presently provided by AT&T, MCI, Sprint, WilTel and Frontier as IXC's and by approximately 318 "Certificated interLATA resellers" here ("resellers") as shown on the list attached as Exhibit 1. The attached Exhibit 2 shows that Tennessee consumers have many choices of carriers offering interexchange services. Most of the services offered are cross elastic with one another and compete with one another. Thus, there is not only competition between providers of interexchange services, but also between services offered by each provider. For example, MCI offers Five Cent Sundays to its subscribers, while Sprint offers its customers Free Fridays, and AT&T has its One Rate Plus offering. These are prices and offerings dictated by competition, not by regulation. Various resellers have similar price and service competitive products. IXC's are constantly offering their existing customers and new customers these types of competitive services. Based on the many offerings and competitive pricing, competition is most certainly an effective regulator of the services.

16. There are no significant barriers to entry or expansion with respect to the provision of interexchange services, either as to competing IXC's or resellers. The statutory policy, and the policies adopted by the TRA, favor competition and facilitate, rather than impede entry and expansion. The potential for competition is further demonstrated by the provisions of the Federal

Telecommunications Act of 1996, which authorizes the Bell operating companies, including BellSouth Telecommunications, Inc., to enter the long distance markets on the terms and conditions therein provided.

17. The degree of competition for interexchange services is demonstrated by the substantial turnover, or switching of customers between long distance carriers. Information available at the national level indicates that in 1996, approximately thirty million consumers changed their presubscribed interexchange carrier ("PIC"). This number shows a significant increase over 1992 when approximately sixteen million customers switched their long distance carrier. In Tennessee in 1996, nearly 60% of AT&T's customers either connected or disconnected from AT&T. Clearly, the long distance market is effectively competitive. Moreover, consumers are exercising their right to choose freely and can elect to change carriers if they perceive a better deal awaits with a different carrier.

18. None of the Petitioners have sufficient market power for interexchange services to be in a position to dominate or exercise control over the competitive pricing for such services. Petitioners point to the programs mentioned above — Five Cent Sundays, Free Fridays and AT&T One Rate Plus-- as current examples of independent and competitive pricing strategies of just the Petitioners, without even considering the competitive pricing strategies of the resellers.

19. The competitive nature of the long distance market is also evidenced on Exhibit 3, an FCC Report entitled "Long Distance Market Shares Third Quarter 1997." Included among the data cited in this report are graphs depicting AT&T's decline in the percentage of total revenue market share nationally from 88% in 1984 to a little more than 50% in the third quarter of 1997,

and MCI's, Sprint's, WilTel's and other IXC's' proportionate increase in percentage of total revenue market share. The competitive nature of the long distance market is further demonstrated by Chart A2.1 of this Report which shows that AT&T's percentage share of all interstate access minutes nationally has declined from 84.2% in 1984 to 52.8% in 1996. Corresponding changes in market share of the alternative providers has grown from an aggregate 9.9% nationally in 1984 to an aggregate 41.2% nationally in 1996. Tennessee state specific data also shows that the same downward trend in AT&T's market share and the same upward trend for other providers has been occurring in Tennessee.

20. While once designated the dominant carrier, neither AT&T, nor any other provider, now serves as a price leader; rather each carrier, including resellers, may, and does, take the lead in pricing changes, within the limitations of the current rules in Tennessee. Experience under the existing rules demonstrated that competition, where possible under the current rules, is in fact regulating the prices for interexchange services and that the continued application and enforcement of these rules is not necessary for the protection of the interests of consumers.

21. The history of the development of the market for interexchange services in Tennessee demonstrates the benefits of competition. The policies followed by the Tennessee Public Service Commission ("TPSC") after the divestiture of the Bell operating companies and the granting of the first IXC certificate to AT&T effective January 1, 1984, the granting of certificates to other IXCs and to resellers, reducing the degree of regulation as competition developed, have demonstrated that competition works to increase capacity and the variety and quality of services at lower costs and reduced rates. The time has now come for the TRA to move

Co. v. United States, 356 U.S. 1, 4, 78 S.Ct. 514, 517, 2 L.Ed.2d 545 (1958); and United States v. American Tel. & Tel. Co., 552 F.Supp. 131, 149 (D.C. 1982).

(b) The public interest in the regulation of telecommunications services and telecommunications service providers is best served by tailoring regulatory requirements to the conditions prevailing in the market for those services;

(c) Regulatory requirements as to rates should be imposed only as a substitute for competition, preventing actions that competition would have precluded, and requiring actions that competition would have imposed;

(d) To the extent competitive forces are adequate and effective, regulatory requirements as to rates are unnecessary and impose costs and inefficiencies which should be avoided;

(e) Effective competition replaces the need for rate regulation; and is superior to regulation, in that, greater incentives in a competitive market exist for reducing costs and improving the quality and variety of services, through enhanced efficiency, improved innovation and reduced administrative expenses.

(f) Rate regulation and the existing tariffing process are inconsistent with competitive markets, unduly interfere with the forces of competition, slow the rate at which prices can be adjusted to respond to the pricing actions of competitors, and impose undue costs on regulated providers and their customers which are neither necessary nor appropriate; and

(g) The market for the services of the IXCs is effectively competitive. Therefore, the imposition of the requirements under the current rules is no longer in the public interest. Modification of the Rules and the regulatory process for the services of the IXCs will benefit consumers by providing greater choices, improved services and flexible rates, and will benefit providers by freeing them from unnecessary regulation and facilitating more efficient operations. No one will be prejudiced by such modification.

(h) The Petitioners are not asking for Tennessee to adopt an untried regulatory environment. Many states throughout the country have relaxed their regulation of the long distance carriers¹ and there is no evidence that consumers are being harmed or disadvantaged by the new relaxed form of regulation. Indeed, the TRA does not even need to look beyond the borders of Tennessee to understand how relaxed regulation will have minimal impact on Tennessee consumers. The FCC reduced regulation of the interstate portion of the long distance business several years ago. Over 80% of the average Tennessee consumer's Dial-1 long distance bill falls under this new relaxed regulatory climate that the FCC created. It is only the in-state portion of the consumer's bill that is still heavily regulated. Again, there is no evidence that Tennessee consumers are disadvantaged, harmed or prejudiced by the change in Federal regulation.

¹ See, e.g., Florida Docket No. 96-0261-FOF-T1; Kentucky, Case Nos. 92-297; 94-286; 94-500; and Georgia, Docket No. 4186-U.

**THE PROPOSED AMENDMENT WILL FURTHER THE
POLICY DECLARED IN T.C.A. §65-4-123**

25. The modification of the Rules regarding the services of IXC's as proposed herein and attached as Appendix A will serve the policies declared in T.C.A. §65-4-123 on the grounds that:

(a) The General Assembly in Section 1 of Chapter 408 declared the policy of this state with respect to telecommunications services and telecommunications service providers, codified as T.C.A. §65-4-123, which provides:

"Declaration of telecommunications services policy.--The general assembly declares that the policy of this state is to foster the development of an efficient, technologically advanced, statewide system of telecommunications services by permitting competition in all telecommunications services markets, and by permitting alternative forms of regulation for telecommunications services and telecommunications services providers. To that end, the regulation of telecommunications services and telecommunications services providers shall protect the interests of consumers without unreasonable prejudice or disadvantage to any telecommunications services provider; universal service shall be maintained; and rates charged to residential customers for essential telecommunications services shall remain affordable."

(b) Modification of the Rules regarding the services of IXC's as proposed by Petitioners will further each aspect of that declaration of policy, in that:

(i) Such modification will promote and further competition in the market for the IXC's and thereby foster the development of an efficient, technologically advanced, statewide system of telecommunications services;

- (ii) Such modification is consistent with the development of alternative forms of regulation within the meaning of the declared policy.
- (iii) Competitive forces will be unfettered by such modification, which will protect the interests of consumers without unreasonable prejudice or disadvantage to any telecommunications service provider.
- (iv) No modification is sought from the requirements of T.C.A. §65-5-207 dealing with universal service, and the modification sought will not prejudice the implementation of policies favoring universal service; and
- (v) Competitive forces will assure that rates charged for interexchange services, whether or not considered to be essential for residential customers, will remain affordable.

(c) The TRA should exercise its authority to modify and amend Rule 1220-4-2-.55(2) so that the regulation of the services of the IXC's will reflect the status of competition in the intrastate long distance market in Tennessee and to provide for a system of regulation consistent with such competition and with the policies declared in T.C.A. §65-4-123.

THE RULEMAKING WHICH IS REQUESTED

26. Petitioners propose that the TRA amend various provisions of Rule 1220-4-2-.55(2) relating to the regulation by the TRA of IXC's in Tennessee to reflect the market realities of a

competitive long distance market. The specific amendments are attached as Appendix A.

Generally, the Petitioners propose the following:

- a. The elimination of price cap regulation for IXC's in Tennessee ;
- b. The continuation of IXC tariff filings, but with a "presumptively valid" effective date for price decreases and an expedited seven (7) day effective date for rate increases; and
- c. The elimination of rate and price setting requirements.

27. The Petitioners further propose that the TRA amend the rules generally to change "Commission" to "Authority" to appropriately reflect the name of the regulatory body charged with regulating the telecommunications providers in Tennessee.

28. Petitioners propose that the TRA amend 1220-4-2-.55(c) to reflect the expedited tariff filings for informational purposes due to the highly competitive long distance market and the need for IXC's to make competitive responses to pricing and marketing changes. Due to consumers' demonstrated capabilities to move from carrier to carrier based upon the consumers' desires, formal TRA "approval" of an IXC's long distance tariff offering or modification is no longer necessary. Petitioners recognize, however, the need of the TRA to monitor prices and provide consumers with information regarding rate and price information; therefore, the rule should be amended to maintain the tariff filing requirement, but on an informational basis with an expedited effective period.

29. Petitioners propose that the TRA delete 1220-4-2-.55(d) to reflect the competitive long distance market's dictation of rate adjustments rather than the need for the hand of the regulator in a decidedly competitive market.

THE PROCEDURES TO BE FOLLOWED

30. Pursuant to T.C.A. §4-5-201(c), the TRA should, as promptly as is consistent with the orderly dispatch of its business, grant Petitioners' request to commence a rulemaking proceeding.

31. Pursuant to T.C.A. §4-5-203(a)(1), the TRA should transmit notice of the hearing on the proposed rules to the Secretary of State for publication in the notice section of the monthly administrative register. In addition, pursuant to T.C.A. §4-5-203(a)(2) and T.C.A. §65-5-208(b), the TRA should give notice to all IXC's, all certificated interLATA resellers, all incumbent local exchange telephone companies, and all competing telecommunications service providers of the hearing on the proposed rules.

32. The TRA should hold a rulemaking hearing in accordance with T.C.A. §4-5-204, at which each interested person should be afforded an opportunity to be heard with respect to the amendment and modification of Rule 1220-4-2-.55 regarding interexchange services.

The premises considered, Petitioners respectfully pray that:

1. The TRA grant this petition, commence a rulemaking proceeding pursuant to Part 2 of Chapter 5 of Title 4 T.C.A, for the purposes of considering the promulgation of the

proposed amendments to Rule 1220-4-2-.55(2) in accordance with Part 2 of Chapter 5 of Title 4
T.C.A.

2. They have such further, other and general relief as the justice of their cause
may entitle them to receive.

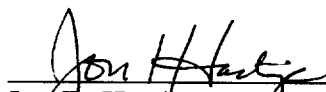


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Attorney for WorldCom Network Services, Inc.
d/b/a WilTel Network Services

CERTIFICATE OF SERVICE

I, Jon E. Hastings, hereby certify that I have served a copy of the foregoing Petition for Rulemaking via U. S. First Class Mail, postage prepaid, on the only other party having a direct interest, i.e., Michael Nigham, Frontier Communications International, Inc., 180 South Clinton Avenue, Rochester, N.Y. 14646 and on L. Vincent Williams, Consumer Advocate Division, 425 5th Avenue, North, Nashville, TN 37243, this 13th day of February, 1998.

Jon E. Hastings
Jon E. Hastings

Query1

Company Name	Company DBA Name	Address1	Address2	City	State	Zip	Phone
360 Communication		8725 Higgins Rd	Ohio Plaza, Ste	Chicago	IL	60631	(800) 000-0000
A.B.T.S. International		432 Kelley Dr.		Bellevue	WA	98008	(609) 768-3737
A.R.C. Networks, Inc.		1770 Motor Parkway	Suite 300	Hempstead	NY	11786	(516) 951-2500
AACC National Long		400 West Ave.		Rochester	NY	14617	(716) 987-3000
Access Network Se		300 W. Service Rd	POB 10804	Cherryhill	VA	20153	(703) 478-5505
Access Point, Inc.		1100 Crescent Green	Suite 109	Cary	NC	27511	(770) 698-9200
Activatel D, Inc.		1901 Glenville Dr.	Suite 800	Richardson	TX	75081	(972) 669-6123
Activatel D, Inc.		1901 Glenville Dr.	Suite 800	Richardson	TX	75081	(972) 669-6000
Advanced Manage	AMS Long Distance	3030 N. Central Av	Suite 702	Phoenix	AZ	85012	(602) 248-9379
Advanced Telecom		Four Executive Cam		Cherry Hill	NJ	08002	(609) 662-8700
Alfityl Corporation		20875 Crossroads C	Suite 400	Waukegan	WI	53186	(414) 798-3885
All American Teleph		9001 Airport Freewa	Suite 570	Fl. Worth	TX	76180	(817) 251-0954
Alternative Long Dis		301 Congress Ave	Suite 720	Austin	TX	78701	(512) 404-2250
Ameri-Net Services		5104 W. Hurley Po		Farmington	NJ	07727	(800) 927-6527
America's TeleNet		720 Harbree Place		Alpharetta	GA	30076	(770) 751-1620
American Express T		4315 South 2700		Salt Lake City	UT	84184	(801) 968-5400
American Farm Bure		225 Tandy Ave.		Park Ridge	IL	60068	(800) 362-3276
American Internatio		287 Bowman Ave.		Purchase	NY	10577	(914) 251-1450
American Long Line		410 Hosham Rd		Horsham	PA	19044	(215) 442-9700
American Network		100 W. Lucerne Cir		Orlando	FL	32801	(407) 246-1234
American Tel Group		5850 E. Bank, N.E.	Suite B16	Albuquerque	NM	87111	(800) 828-2317
American Telco, Inc		1100 Waugh Dr. Ste.		Houston	TX	77007	(713) 862-2000
American Telecom		7223 Dwyer Rd		Liverpool	NY	13090	(315) 453-2323
American Telecomm		7207 W. Maple NW	Suite 5500	North Canton	OH	44720	(800) 961-4245
American Telephon		6080 Hurwick Terr	Suite 309	Chicago	IL	60602	(312) 372-7575
American Technic		6750 W. 33rd St	Suite 1110	Delray Beach	FL	33484	(800) 576-0320
AmeriConnect		9525 West Bryn Ma	Suite 600	Ovaland Park	KS	66212	(313) 341-8888
Ameritech Communi		3141 N. W. Express	Suite 101	Rosemont	IL	60018	(312) 251-3487
AmeriVision Commu		4301 32nd St. West	Suite C-15	Oklahoma City	OK	73112	(405) 366-7650
Anchor Communicat		PO Box 230		Bradenton	FL	34205	(941) 727-3303
Arnox, Inc.		2550 W. Golf Rd S		Phaeston View	TN	37146	(645) 746-8827
Apollo Communicati		180 E. Main Street		Rolling Meadows	IL	60008	(205) 980-8626
Association Adminis		1100 North Glebe R		Smithtown	NY	11787	(516) 724-9600
ATCAL, Inc.		701 Potomac St. Ste		Arlington	VA	22201	(703) 522-5252
Athena International		482 Northtown Rd		New Orleans	LA	70139	(800) 497-5619
Atlas Communicatio		1509 Government S	Suite 500	Blue Bell	PA	19422	(610) 940-9040
ATN Communicatio		3965 Mendenhall R		Mobile	AL	36604	(334) 479-9400
ATS Network Com		1687 Cole Boulevard	P.O. Box 4067	Memphis	TN	38115	(901) 542-2200
Automated Commu		1320 N. Courthouse	2nd Floor	Golden	CO	80401	(303) 232-4333
Bell Atlantic Commu		424 Church St	28th Floor	Arlington	VA	22201	(703) 974-5128
BellSouth Long Dist		75 Bandy Drive		Nashville	TN	37219	(615) 259-1450
BellSouth Public Co		P.O. Box 638		Homewood	AL	35209	(205) 943-2500
Ben Lomand Comm				McMinnville	TN	37110	(615) 668-1010

Company Name	Company DBA Name	Address1	Address2	City	State	Zip	Phone
BFI Communication		7060 Milamer Rd.		San Diego	CA	334410000	(619) 693-6400
BLT Technologies		610 Esther St.	Suite #1000	Vancouver	WA	98660	(360) 695-7000
Brillen Communicat		600 Jefferson	Suite 500	Houston	TX	77002	(713) 880-9911
Budget Cell Long Di		180 South Clinton A		Rochester	NY	14646	(818) 787-6279
Buherne-Fry, Inc. d		62975 Boyd Acres		Bend	OR	97701	(904) 222-1534
Business Discourt		3780 Kilo Airport	Suite 200	Long Beach	CA	90806	(714) 798-7000
Business G, lions, I		2301 172nd St.	Suite 101	Lanning	IL	60438	(708) 895-8789
Business Telecom, I		4300 St. Forks Rd.		Raleigh	NC	27609	(919) 510-7000
C-Net Communicati		31075 John R.		Madison Heights	MI	48071	(810) 618-0550
Cable & Wireless, In		8219 Leeburg Pike		Vienna	VA	22182	(703) 790-5300
Calls for Less, Inc.		P.O. Box 1350		North Sioux City	SD	570490000	(800) 211-5848
Capital Long Dist		600 Congress Ave.	Suite 1360	Austin	TX	78701	(512) 477-6566
Caribbean Telepho		1249 Westington B		Detroit	MI	48226	(300) 000-0000
Catholic Telecom, I		80 West Boweys	Suite 100	Akron	OH	44308	(330) 535-0338
Central Payphone S		1150 Northmeadow	Suite 118	Rowell	GA	30076	(404) 442-7300
Century Telecomuni		208 S. Guadalupe		San Marcos	TX	78667	(512) 363-1155
CFV Communicatio		401 Spring Lane	Suite 300	Wynnewood	VA	22980-199	(540) 949-3424
Cherry Communicati		2205 Enterprise Dr.		Westchester	IL	60154	(708) 448-7000
CIMCO Communica		18 West 100 22nd	Suite 108	Quakertown	IL	601810000	(630) 691-8000
Cincinnati Bell Long		36 East Seventh St.		Cincinnati	OH	45202	(513) 369-2100
Citizens Telecomm.		300 Blund St.	P.O. Box 770	Blufffield	WV	247010770	(204) 329-5764
Clarity Telecom Net		478 Wheelless Farm		Milford	CT	064600000	(203) 882-2814
Cleatel Communica		1232 22nd St. NW		Washington	DC	20037	(202) 463-8500
Coast International		14303 W. 95th Site		Lenexa	KS	66215	(913) 869-9000
Coastal Telecom LI		2 Riverway	Suite #800	Houston	TX	77056	(713) 960-9536
Colorado River Com		4275 E. Sahara Av	Suite 6	Las Vegas	NV	89104	(702) 641-5177
Comdata Telecomm		5301 Mayland Way		Brentwood	TN	37027	(615) 370-7000
Common Concepts,		2722 Eastlake Ave		Seattle	WA	98102	(206) 505-5618
Communicall, Inc.		13455 Noel Rd.	Suite 1000	Dallas	TX	75240	(214) 881-7868
Communication Net		120 Office Park Dr.	Suite 30	Birmingham	AL	352230000	(205) 879-2267
Communications Tel		4350 La Jolla Village	Suite 100	San Diego	CA	92122	(800) 575-7775
Communications Bi		2200 Abbott Mallin	Suite 106	Nashville	TN	37215	(615) 385-9567
CommuniGroup of J		P.O. Box 940		Jackson	MS	39205	(601) 363-9118
Computer Telephon		360 Second Ave.		Waltham	MA	02154	(617) 466-1289
Connect America C		13333 Blanco Rd.		San Antonio	TX	78216	(210) 680-3131
ConnectOne Comm		711 Westchester A		W/HITE PLAINS	NY	10604	(914) 422-0800
ConQuest Operator		550 Front Rd. S. 1		Durham	OH	43017	(614) 791-3439
Consolidated Comm		121 South 17th St.		Malton	IL	61938	(217) 235-4432
Corporate Services		210 N. Park Ave., P		Wright Park	FL	32790	(407) 740-8575
Corporate T elemen		430 Woodcuff Road	Suite 450	Greenville	SC	29616	(803) 450-7302
CTC Long Distance		P.O. Box 227		Cancard	NC	280260227	(704) 722-2362
CTN Telephone Ne		701 B St.	Suite 1450	San Diego	CA	92101	(619) 699-5382
Cypress Telecommu		11811 North Freew	8th Floor	Houston	TX	77060	(713) 591-3000L

Query 1

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Company Name	Company DBA Name	Address1	Address2	City	State	Zip	Phone
D.D. Celling, Inc.		5120 Woodway	Suite 7009	Houston	TX	77056	(713) 626-1651
DellaCom, Inc.		500 Boulevard South		Huntsville	AL	35802	(800) 229-3000
Deitel, Inc.		1030 Delta Blvd. P.	Whitefield Int'l Airport	Atlanta	GA	30320-581	(770) 715-3986
Dial & Sava of Tenn		4213 Lafayette Cir		Chattanooga	VA	22021-120	(703) 631-5600
Discount Network S		20217 Ann Arbor Tr	Suite 101	Deaton Heights	MI	48127	(313) 982-3001
Discount Utilities, L		POB 839		Monroeville	IN	47980-	(219) 883-6560
Discount 'Long Di		9040 Executive Par		Knockville	TN	37923	(615) 691-4900
Eastern Telecommu		365 Pearsall Ave.	Suite One	Cedarhurst	NY	11516	(516) 239-5500
Eastern Telecom Se		4646 W. Streetbor		Richfield	OH	44286	(216) 659-6700
Ecomophone, Inc.		1450 37th Street		Brooklyn	NY	11218	(718) 437-8600
Electric Lightways,		8100 NE Parkway		Vancouver	WA	98662	(360) 892-1000
EquaNet Corporation		P.O. Box 441085		Houston	TX	77244-108	(713) 556-4600
Excel Telecomuni		8750 N. Central Exp	Lock Box #6	Dallas	TX	75231	(214) 863-8700
EZ Phone, Inc.		P.O. Box 4856		Akron	OH	443100000	(330) 434-6666
Fairchild Communis		300 West Service	P.O. Box 10804	Charlottesville	VA	22021	(703) 478-5980
Fast Connections, I		2200 Ross Ave	STE 3838	Dallas	TX	752010000	(214) 978-3817
Federal TransTel, In		2868 Action Rd, Su		Birmingham	AL	35243	(205) 959-1400
First National Servis		1202 W. Buena Vie		Evanston	IL	47710	(812) 429-1845
Five Star Telecom, I		624 S. Grand Ave	Suite 302	Los Angeles	CA	90017	(213) 612-0838
Florida Network, U.		C/O MetroCall, Inc.	6910 Richmond Hwy	Alexandria	VA	22306-	(904) 438-1953
Frontier Communica		180 South Clinton A		Rochester	NY	14645	(818) 787-6279
Gateway Technolo		1544 Valwood Park	Suite 102	Carrollton	TX	750060000	(972) 241-1535
GE Capital Commun		8540 Powers Ferry		Atlanta	GA	30339	(770) 644-7774
Georgia Public Tele		303 Walnutwood Tr		Roswell	GA	30075	(404) 642-0604
Giballe Global Netw		725 Fifth Ave.	17th Floor	New York	NY	10022	(212) 906-0100
Global Tel Link		2609 Cameron St		Mobile	AL	36607	(205) 479-4500
Global TeleMedia, I		1121 Alderman Dr.	Suite 200	Alpharette	GA	30202	(404) 642-4888
Group Long Distanc		1451 W. Cypress Cr	Suite 200	FL Lauderdale	FL	33309	(305) 771-9696
GST Net		4317 NE Thurston		Vancouver	WA	986620000	(360) 254-4700
GTE Communicatio		1200 Walnut Hill La		Living	TX	75038	(214) 714-0244
GTL Telecom, Inc.		507 N. New York A		Winter Park	FL	327890000	(407) 629-2300
GTN Corp d/b/a GI		2400 West Cypress St	Suite 205	Ft. Lauderdale	FL	33309	(305) 491-7200
Gulf Long Distance,		120 S. McKenzie St		Foley	AL	36535	(334) 952-7590
Heartline Communis		1001 Fannin, Ste. 3		Houston	TX	77002	(713) 999-7400
Hebrian Communica		3141 N.W. Express	9th Floor	Oklahoma City	OK	731120000	(405) 879-0555
Hertz Technologies,		5601 Northwest Ex		Oklahoma City	OK	73132	(405) 720-5019
Hi-Plans NIS Com		829 Price Road		Pampa	TX	790670000	(806) 665-0706
Hi-Rim Communicali		1771 East Flemingo		Las Vegas	NV	89118	(702) 734-4898
Highland Communic		950 Main Street	Suite D	Warburg	TN	378870000	(423) 346-4000
HLC - Internat. Inco		19800 MacArthur Bl	Suite 700	Irving	CA	927150000	(214) 474-4950
Home Oversea Long		8000 Venture Bldg		San Antonio	TX	78230	(210) 525-8152
Host Network, Inc.		9401 Washie Blvd.		Beverly Hills	CA	90212	(310) 551-5225
IdealData Corp.		910 15th St. Ste 90		Denver	CO	80202	(303) 534-0300

Query1

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Company Name	Company DBA Name	Address1	Address2	City	State	Zip	Phone
IDI Corporation		294 State St.		Hackensack	NJ	07601	(201) 928-1000
Inacom Communications		10810 Faraman Driv		Omaha	NE	68154	(402) 382-3900
Independent Netwo		2600 North Central	Suite 1750	Phoenix	AZ	85004	(602) 248-8495
Info-Tel, Inc.		3900 S. Federal Hwy		Sharden	CO	80110	(800) 732-1170
Innovative Telecom		Two Harrison St.		Nashua	NH	03060	(603) 889-8411
Intercom International		28050 U.S. Hwy 19	Suite 202	Clewster	FL	34621	(813) 797-9000
InterTel Operator S		2155 Chenault St.		Carrollton	TX	75006	(214) 416-0022
InterTel NetSolutio		120 N. 44th St. Ste		Phoenix	AZ	85034	(602) 252-5324
Intercontinental Co		1801 S. Federal Hwy	Suite 305	Delray Beach	FL	334830000	(561) 274-8044
Interlink Telecommu		1112 Elm St. SE		Covington	GA	30028	(770) 929-1997
International Charity		120 University Park	Suite 150	Wynton Park	IL	327920000	(407) 678-5455
International Gateway		15601 West 120th		Palip	WA	606580000	(800) 327-0040
International Telco		417 2nd Ave.		Ny, Seattle	WA	98119	(720) 698-9200
International Telecom		101 Convention Ce	Suite 1000	Las Vegas	NV	89109	(702) 732-1888
International Telcom		206 E. Market St.		Lima	OH	45001	(419) 226-8158
IXC Long Distance		5000 Plaza On The	Suite 200	Austin	TX	78746	(512) 328-1112
J.D. Services, Inc.		1844 South 3850		Salt Lake City	UT	84104	(801) 972-4090
J3 Communications		304 South State St		Dover	DE	19901	(302) 736-5900
Jerry LaQuere		14087 Old Hickory		Antioch	TN	370130000	(615) 941-1659
Key Communication		330 West Spring St	Suite 101	Columbus	OH	43215	(603) 941-1659
L.D. Services, Inc.		13230 East Fierston	Suite D-2	Santa Fe Springs	CA	90670	(310) 802-5884
LCI International Tel		8180 Greenboro D		McLean	VA	22107	(703) 442-0220
LDG Telecommunic		391 Roberts Rd.	Suite #4	Orlando	FL	32677	(813) 885-7511
LDG, Inc.		24 South Minnesota		Cape Girardeau	MO	63702	(314) 651-3373
LDOS WorldCom		201 Energy Parkwa		Lafayette	LA	705082702	(318) 261-2552
LDN Systems, Inc.		900 Camelia Bldg.		Kalamazoo	MI	49007	(914) 638-0001
Least Cost Routing		1801 E. Edinger, St		Santa Ana	CA	92705	(714) 560-8100
Least Cost Routing		2944 Heather Trail		Clewerter	FL	346210000	(813) 797-7858
Long Distance Bltn		Capital Center	386 N. Webster St	St. Paul	MN	55102	(612) 222-1501
Long Distance Dire		1 Blue Hill Plz. 1430		Paul River	NY	10985	(770) 888-9200
Long Distance Inter		888 W. Andrews Av		R. Lauderdale	FL	33316	(305) 522-3300
Long Distance Man		611 Broadway		Paderah	KY	42001	(502) 443-6325
Long Distance of M		8801 Conant Ave.		Hennepack	MI	48211-140	(313) 873-5500
Long Distance W/h		1401 Watson Blvd. 1		Arlington	VA	22209	(703) 243-4600
Lynth Communicati		3162 Ninth Broadw		Chicago	IL	60657	(312) 928-9600
Mafik Telecom, Inc		8721 Airport Freewa		Fall Worth	TX	76180	(817) 581-9380
Maxima Communica		P.O. Box 38114-304		Houston	TX	77032	(515) 244-9270
Mid-east Telemanag		221 Third Ave. S.E.	Town Centre, Ste. 5	Cedar Rapids	IA	524010000	(319) 288-7000
Meridian Telecom C		3490 Piedmont Roa	Suite 600	Atlanta	GA	303050000	(404) 869-6550
MIDCOM Commun		19675 West 10 Mile	Suite 100	Southfield	MI	48075	(248) 945-3445
Minimum Rate Prici		300 Broadacres Dr.	P.O. Box 8000	Bloomfield	NJ	07003	(201) 338-1200
MTC Telemanagement		1304 Southpoint Bl		Petaluma	CA	94954	(707) 762-9600
MVC Network, Inc.		P.O. Box 52652		Atlanta	GA	30355	(404) 848-9895

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Company Name	Company DBA Name	Address1	Address2	City	State	Zip	Phone
National Accounts		119 Cherry Hill Rd		Pasigany	NJ	07054	(800) 235-3530
National Commerce		16 E. 34th St.	15th Floor	New York	NY	10016	(212) 683-8585
National Telephone		2801 North Main St.		Irvine	CA	92714	(714) 251-8800
NE Tel Corporation		11921 Freedom Dr	Suite 550	Reston	VA	201900000	(407) 740-8575
Netel, Inc.		6300 NE First Ave.		Fort Lauderdale	FL	33334	(954) 776-9100
Network America, I		P.O. Box 654		Carmel	IN	46032	(317) 575-1104
Network Commerce		906 E. McGill St.		Longview	TX	75601	(954) 764-5093
Network Enhanced		12340 Santa Monica	Rm. 300	Los Angeles	CA	900250000	(310) 979-3155
Network Long Dist		525 Florida St.		Baton Rouge	LA	70801	(504) 343-3125
Network Operator S		119 W. Tyler	Suite 280	Longview	TX	75601	(903) 758-9350
Network Plus, Inc.		234 Copeland Street		Quincy	MA	02169	(617) 786-4000
New Century Elec		8180 Greenboro Dr	Suite 700	McLean	VA	22102	(703) 714-1322
New Media Teleco		4225 Executive Sq	Suite 1070	La Jolla	CA	92037	(619) 558-3333
Nexlar Communicati		2424 N. Federal Hg	Suite 450	Boce Raton	FL	33431	(561) 417-9717
Norlight, Inc.		2755 N. Corporate Dr		Brookfield	WI	53045	(414) 792-9700
Northern Network S		2955 Xenium Lane	Suite 20	Plymouth	MI	55441	(612) 420-1700
North American Co		Alvin, Linda D. Helin	1101 West 11th St	Kansas City	MO	64105	(816) 474-4600
North American Int		14100 San Pedro	Suite 400	San Antonio	TX	78232	(210) 352-1404
North American Tel		1117 Piedmont Cen	Suite 510 East	Atlanta	GA	30338	(707) 677-5779
Northwest Communi		22501 SW Parkway		Wescorville	OR	97070	(503) 670-8160
NIOSVA, Limited Pa		6701 Democracy Bl	Suite 811	Bethesda	MD	20817	(800) 772-4667
NDW Communicati		713 County Place		Jackson	MS	392080000	(601) 539-1110
NIIT Telecom, Inc.		101 Convention Ce	Suite P-125	Las Vegas	NV	89109	(702) 734-1160
OLIS, Inc.		1030 Cambridge Sq		Alpharetta	GA	302010000	(770) 752-9266
Onco Communicati		Two Democracy Ce	6903 Rockledge Dr	Bethesda	MD	20817	(214) 302-6430
One Step Billing, In		16100 Fairchild Dr.	Bldg. F-104	Chester	FL	346200000	(888) 837-3699
One To One Comm		951 Government St.	Suite 500	Mobile	AL	36604067	(334) 433-4121
OneStar Long Dist		1110 Professional B		Evansville	IN	47714	(812) 471-5870
Operator Service C		5302 Ave. Q St		Lubbock	TX	79412	(800) 747-2474
Optex, Inc.		4880 Blazer Parkway		Dublin	OH	43017	(614) 793-8443
OPTICOM		801 Congressional		Carmel	IN	46032	(317) 843-1900
Opus Correctional I		119 Hubert Street		Framingham	MA	017020000	(608) 875-4444
Overlook Communia		2839 Paces Ferry Pl	Suite 500	Atlanta	GA	30339	(404) 432-6800
P.V. Tel, LLC		1009 Redcliff Ave.		Kingport	TN	37664	(423) 378-4007
Panbi Communicati		806 Lawnwood Ave		Dekalb	IL	60115	(815) 748-5488
Pay Tel Communica		94 Oak Branch Dr.		Greensboro	NC	274070000	(910) 852-7419
Pennsylvania Allern		218 Maple Ave.		Greensburg	PA	15601	(412) 836-5800
Phoenix Network, I		1687 Cole Blvd.		Golden	CO	80401	(303) 205-3532
Phone One, Inc.		135 West Central Bl	Suite 1050	Orlando	FL	32801	(800) 393-9000
PHONE TIME, Inc.		3060 Whitestone E		Whitestone	NY	11354	(718) 939-9000
Positive Impact, Inc		1000 Mellet St.		Chattanooga	TN	37402-261	(423) 285-0615
Prefereed Carrier Ser		500 Grapevine High	Suite 300	Hurst	TX	76054	(214) 753-1378
Premiere Communic		3399 Peachtree Rd	Suite 400	Atlanta	GA	30326	(404) 237-2911

Query 1

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Company Name	Company DBA Name	Address1	Address2	City	State	Zip	Phone
Pinkus Telecommun		8180 Greenbriar Dr		McLean	VA	22102	(703) 648-4676
Professional Commu		Rt. 3 Box 635		Burkeston Mills	WV	26626	(800) 295-7030
Provision Group, In		10175 Slater Ave.	Suite 200	Fontaine Valley	CA	927080000	(888) 775-8427
PSP Marketing Gro		2829 Lakeland Dr.		Jackson	MS	39208	(800) 820-0020
QCC, Inc.		8829 Bond St.		Dwight Park	KS	66214	(913) 492-1230
Quest Telecommun		242 Falcon Dr.		Fossil Park	GA	300500000	(404) 508-5000
Quest Telecommun		555 S. Evergreen St		Denver	CO	80202	(303) 291-1400
RCN Long Distance		105 Carnegie Center		Pineblow	NJ	08540	(609) 734-3750
RRV Enterprises, In		1132 Bishop St, Pe		Honolulu	HI	96813	(808) 529-0000
SBR, Inc.		2116 Second Ave.		Minneapolis	MN	55404	(612) 828-1070
Security Telecom C		1209 W. North Carl	Suite 300	Grand Prairie	TX	75050	(214) 968-3737
Shared Communicat		109525 St. SE	Suite 201	Salem	OR	97301	(503) 399-7000
Smetalk TeleSevi		1540 South Sepulv	Suite 500	Los Angeles	CA	90025	(310) 444-8800
SNET America, Inc		127 Washington Av		North Haven	CT	06473	(800) 806-7538
Southeastern Netw		500 Royal Parkway		Nashville	TN	372143883	(615) 874-5000
Southern Commun		5 North Third St. St		Memphis	TN	38103	(901) 523-7235
SouthernNet, Inc.		1801 Pennsylvania		Washington	DC	20005	(202) 872-1600
SouthernNet, Inc.		1651 North Collins	Suite 220	Richardson	TX	750800000	(972) 497-0152
Southwestern Bell C		3201 Dickerson Plk		Nashville	TN	372070000	(615) 650-6600
Speed Virtual Media		4900 Main St.	12th Fl.	Kansas City	MO	641120000	(816) 559-2516
Spirit Spectrum L.P		10300 N. Central Ex	Suite 350	Dallas	TX	75231	(214) 365-9800
STA Telecommunic		1106 S. Santa Fe T		Duncanville	TX	75137	(214) 295-6342
Star Link Commun		601 Gateway Blvd	Suite 260	South San Francisc	CA	94080	(415) 859-3850
Starlink Commun		10411 Melia City Dr		Bethesda	MD	20817	(301) 365-8959
Statec, Inc.		9520 SW Barber Bl	Suite 330	Pasadena	OR	972130000	(503) 244-9059
Steering International		1959 Sloan Place,		St. Paul	MN	55117	(612) 778-8093
Strategic Alliances		700 San Jacinto Ce	98 San Jacinto Blvd	Austin	TX	78701	(512) 433-2400
Switched Services		67 Inverness Drive	Suite 100	Englewood	CO	801120000	(303) 790-9111
T-Netix, Inc.		155 Willowbrook Biv		Wayne	MI	07470	(201) 256-1600
Target Telecom, In		2581 Piedmont Rd.	Suite c-1135	Atlanta	GA	30324	(888) 404-5465
TEL LINK of Tenn		6805 Flt 202		New Hope	PA	18938	(215) 862-1500
TelSave, Inc. d/b/v		1423 Massasoit Blvd		Tampa	FL	33619-000	(813) 623-3545
Telcasting Enterpri		900 Comerica Buidi		Kalamazoo	MI	490070000	(888) 305-3141
Telco Partners, Inc		25 S. Magnolia Ave		Orlando	FL	32801	(407) 649-6555
Telecom Network, In		1100 Jolie Blvd	Suite 215	Oak Brook	IL	60521	(630) 571-2700
Telecom One, Incorp		138 Fairbanks Plaza		Oak Ridge	TN	37830	(615) 482-2140
Tele Sys, Inc. d/b/v		14102 Fairley		Redford	MI	482390000	(313) 427-9520
Telec, Inc.		444 Lafayette Rd		Noblesville	IN	46060	(317) 776-7654
Telecare, Inc.		1321 South 30th Av		Hollywood	FL	33020	(954) 927-3555
Telecom America, I		905 Rutenburg	Suite 250	Galveston	TX	77650	(515) 762-3535
Telecommunication		1375 TriState Park		Gurnee	IL	60031	(847) 599-1000
TeleHub Network S		3575 W. Lake Mary		Lake Mary	FL	327460000	(407) 328-5002
Telephone Compan		204 1/2 W. Oklan		Johnson City	TN	37602-410	(615) 282-5043

Company Name	Company DBA Name	Address1	Address2	City	State	Zip	Phone
TeLine Telecommu		1001 E. Southme	Suite 600	Pasadena	TX	77502-	(713) 970-5000
Telescope USA, Inc.		4635 Southwest Fr	Suite 800	Houston	TX	77027	(713) 968-0966
Teletest Communice		221 N. Charles Lind		Salt Lake	UT	84116	(801) 535-2000
Tennessee Phone		4918 Charlotte Ave.		Nashville	TN	372090000	(615) 258-3330
The Furst Group, In		459 Oakshade Rd.		Shamong	NJ	08088	(609) 288-8000
The Insurance Spe		4408 Briarwood Rd.		Kingsport	TN	37654	(423) 288-6369
The Phoner, Inc.		1 Nesheimmy Interpl	Suite 105	Treviso	PA	190500000	(215) 244-4334
Thrifty Call, Inc.		500 Catton Circle	Sie. 300	San Marcos	TX	78666	(512) 392-6276
Time Warner Comm		P.O.B 210706		Nashville	TN	372210000	(615) 726-1200
TLX Communication		263 Third St. Ste. 2		Baton Rouge	LA	70801	(800) 324-1500
TMD Communicatio		14415 N. 73rd St.		Scottsdale	AZ	85260	(802) 951-6100
Total National Com		1001 Farrin	Sie. 300	Houston	TX	77002	(713) 622-6009
Touch 1 Communic		Overlook at Great N	150 Clowe Rd., 8th	Little Falls	NJ	07424	(201) 812-1100
Touch 1 Long Dist		100 Brookwood Rd.		Alma	AL	36502	(334) 368-8600
Trans National Com		1331 Federal St.		Boston	MA	02110	(617) 369-1000
Transcommunication		6025 Lee Hwy	402 Executive Park	Chattanooga	TN	37421	(615) 954-9961
TransCom U.S.A., In		200 East Broward B	Sie. 2100	Fl. Lauderdale	FL	33301	(954) 763-4000
TTI National, Inc.		515 E. East Amite St.		Jackson	MS	39201	(601) 360-8600
TV Communication		665 Baker St. Ste.		Costa Mesa	CA	92626	(714) 435-4130
U.S. WEST Interpals		1939 Broadway	Sie. 700	Denver	CO	80202	(303) 293-6326
U.S. West Long Dist		1801 California	28th Floor	Denver	CO	802020000	(303) 672-1057
U.S. Long Distance,		9311 San Pedro, St		San Antonio	TX	78216	(210) 525-3635
U.S. Digital Networ		8575-D Sudley Rd.		Manassas	VA	22110	(703) 369-4908
U.S. Network Telec		12128 Wailor Dr.		Knoxville	TN	379220000	(423) 588-5032
U.S. Oasis Corporati		8828 Stemore Fire		Dallas	TX	75247	(214) 640-4110
U.S. Republic Com		4800 Sugar Grove	Suite 410	Stafford	TX	774770000	(713) 491-2370
U.S. Telco, Inc.		5215 O'Connor	Suite 310	Living	TX	760390000	(972) 808-3245
Unidial Incorporated		12910 Shelbyville R	Sie. 211	Louisville	KY	40243	(502) 244-8666
United Communicati		401 N. Michigan Av	Suite 206	Chicago	IL	60611	(312) 440-9440
United Telephone L		340 Edgemont Ave.		Bristol	TN	376200000	(615) 989-2854
United Wats, Inc.		7000 Squabb Ste. 3		Mission	KS	66202	(860) 342-9287
US South Communi		200 Galleria Parkwa		Atlanta	GA	30339	(404) 353-1520
US WATS, Inc.		111 Presidential Biv	Suite 114	Bala Cynwyd	PA	19004	(610) 860-0100
USA Calling, Inc.		3 Piedmont Center,	3565 Piedmont Rd.	Atlanta	GA	30305	(404) 842-2100
USA Global Link, In		50 N. Third St.		Fairfield	VA	525560000	(515) 472-1550
USA Tele Corp.		351 S. Cypress Rd.	Suite 400	Pompano Beach	FL	330690000	(954) 453-7500
USN Communicatio		2 Penn Plaza	Sie. 1700	New York	NY	10121	(212) 459-7300
USel, Inc.		2775 South Rainbow		Las Vegas	NV	89102	(702) 247-7400
USX Consultants, In		1509 Muriel St.		Plattsburg	PA	15203	(412) 433-3901
UTC Long Distance		120 Taylor St.		Chapel Hill	TN	370340000	(615) 941-9400
Valice Added Comm		800 N. Jupiter	Sie. 200	Plano	TX	75074	(214) 422-1848
Value Tel, Inc.		1841 Center Point		Naperville	IL	60563	(708) 505-0005

EXHIBIT 1

Company Name	Company DBA Net	Address1	Address2	City	State	Zip	Phone
VaTec Telecom, Inc.		3200 W. Pleasant		Lancaster	TX	75185	(214) 230-7200
VIP Telephone Net		1966 Greengrings	Suite 500	Trenton	MD	21093	(410) 560-6500
Vista Group Internal		821 Westpoint Park		Westlake	OH	441450000	(800) 701-6000
Voyager Networks		Wall Street Plaza	88 Pine S. 7th Floor	New York	NY	10005	(212) 571-2000
WATS International		12 Executive Camp	Ste. 360	New Cherry Hill	NJ	(800) 20000	(800) 421-9287
Western Union Com		6200 South Quebec		Englewood	CO	80111	(303) 489-8237
Westinghouse Com		902 Brinton Rd.		Pittsburgh	PA	15221	(412) 244-8600
WinStar Gateway N		8585 Ninth Stemma	Ste. 1100 South	Dallas	TX	75247	(214) 672-4884
Working Assets Fun		701 Montgomery St.		San Francisco	CA	94111	(415) 768-0981
World Telecom Gro		1091 North Shorelin		Mountain View	CA	94043	(415) 864-4977
World Wide Commu		3390 Paradise Rd.		Las Vegas	NV	89109	(702) 796-1000
WorldLink Communi		2839 Pacas Ferry R	Ste. 500	Atlanta	GA	30339	(800) 546-1778
WorldNet Services		151 Kalmus Drive		Costa Mesa	CA	926265962	(714) 727-0300
XCCONNECT Servi		411 E. Eagleview Blvd		Exton	PA	19341	(609) 000-0000
Xiracom, Inc.		935 W. Chestnut, S		Chicago	IL	60622	(312) 243-8660
ZTEL, Inc.		4403 S.E. 16th Plac	Ste. #1	Cape Coral	FL	339040000	(800) 800-7275
Zenex Long Disten		c/o Telecom Profes	2912 Lakeside Dr.	Oklahoma City	OK	73120	(405) 749-9999

LONG DISTANCE (continued)

Equal Access

CHOOSING A LONG DISTANCE COMPANY

Customers in this area have the option of selecting a "preferred" long distance company for their "1+" and "0+" calling to points outside their BellSouth Calling Zones.

Location providers for BellSouth pay telephones may also select "preferred" long distance companies for carrying "0+" (such as collect and credit card) calls to points outside BellSouth's Calling Zones.

New customers are given one free choice of a "preferred" long distance company. Once customers have made their choice, there is a charge for each subsequent change made in long distance carriers.

COMPANY CODE DIALING

Many long distance companies feature a variety of special rates, particularly in the areas of "distance" and "time of day." You do not necessarily have to use the services of your preferred "1+" long distance company. Instead, you can use Company Code Dialing. Here's how it works:

① Dial the five-digit code of the long distance company you wish to use (see code listings on this page).

② Then dial 1+ the area code + the phone number for a direct dialed call or 0+ the area code + the phone number for a credit card, collect or billed-to-a-third-number call.

③ Your call will be routed through the company you have selected.

Some of the equal access long distance companies on the chart below accept company code dialing without a previously arranged account. Some companies may require that you set up an account with them before you can use their code. This chart is based on information available at publication of this directory. Some companies may no longer offer long distance service. Others

may offer service, but may not wish to be listed. Companies listed may serve some, but not all customers in this area.

PAY TELEPHONE DIALING

Calling procedures for pay telephones vary, so pay telephone users should check the instruction cards posted on the telephones.

INTERNATIONAL DIALING

International calls may be dialed directly from many telephone exchanges, or placed through an international operator. For instructions on placing an international call, dial 00 or use instructions provided by your international long distance company.

The BellSouth Calling card may be used for calls to anywhere in the world. It may also be used for calls back to the U.S. from most countries. Contact your long distance carrier for dialing instructions.



Allnet	10444	1-800-783-2020
American Telecom	10813	1-800-945-3344
AMNEX	10370	1-800-366-2850
AT&T	10288	1-800-222-0300
BTI	10833	1-800-849-2111
Cable & Wireless, Inc.	—	1-800-486-8686
CommuniGroup	10885	1-800-748-9090
Corporate Telemanagement Group	10690	1-800-488-8484
CYTEL Long Distance	10203	1-800-324-6123
DeltaCom, Inc.	—	1-800-239-3000
Dial & Save	10457	1-800-787-3333
EXCEL Telecommunications, Inc.	10752	1-800-875-9235
Long Distance Management	10536	1-800-599-1000
MCI	10222	1-800-888-0800
MPS	—	1-800-714-9000
METROMEDIA	10488	1-800-275-2273
Sprint	10333	1-800-767-7759
Thrifty Call, Inc.	10923	1-800-554-3057
TMC of Southern Kentucky	10536	1-800-599-5000
Touch 1	10797	1-800-286-8241
VarTec Telecom, Inc.	10811	1-800-583-8811
Westinghouse Communications	—	1-800-447-2111

* Some companies do not wish company code to be listed.

LONG DISTANCE MARKET SHARES THIRD QUARTER 1997

**James Zolnierek
Katie Rangos**

**Industry Analysis Division
Common Carrier Bureau
Federal Communications Commission
January 1998**



This report is available for reference in the Common Carrier Bureau's Public Reference Room, 2000 M Street, N.W., Room 575. Copies may be purchased by calling International Transcription Services, Inc. (ITS) at (202) 857-3800. The report can be downloaded [file name: MKSH3Q97.ZIP] from the **FCC-State Link** internet site at <http://www.fcc.gov/ccb/stats> on the World Wide Web. The report can also be downloaded from the **FCC-State Link** computer bulletin board system at (202) 418-0241.

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LONG DISTANCE MARKET SHARES

This report presents information on access minutes, presubscribed lines, and revenues for long distance telephone companies. Company shares of the long distance market are presented for each of these measures. Market shares are also reported according to each measure for the residential portion of the long distance market, and according to revenues for the international portion of the long distance market.

1. INTERSTATE CALLING MINUTES

“Switched access minutes” provide one measure of the volume of traffic carried on the public switched telephone network. Long distance telephone companies ordinarily access the distribution networks of local telephone companies at both ends of long distance calls. Access minutes are a measure of the number of minutes that long distance companies need to access local lines in order to complete long distance calls for their customers.

For each conversation minute of a long distance call there are typically two access minutes, one on the originating end and one on the terminating end. Some calls, however, such as 800, 888, WATS, and international calls generate access minutes on only one end. Access minutes are not measured for calls made on private telecommunications systems and on leased lines.

Column 1 of Table 1.1 shows total interstate, including international, switched access minutes reported for all long distance carriers by the National Exchange Carrier Association (NECA). Interstate calling has grown steadily, with access minutes more than tripling, since this information was first measured in the third quarter of 1984. Overall economic growth, price reductions, and extensive advertising have contributed to this growth.

With few exceptions, terminating access minutes, which do not include dialing and call set up time, equal long distance conversation minutes. Table 1.1 Column 2 shows the number of terminating interstate access minutes reported for all long distance carriers by NECA since 1986, when terminating minutes were first reported separately. Since the third quarter of 1986 terminating access minutes have nearly tripled.

Columns 3 and 4 of Table 1.1 show AT&T's reported total access minutes and terminating access minutes. Columns 5 and 6 show AT&T's market shares of total access minutes and terminating access minutes. Since mid 1984, AT&T's traffic has grown at a rate slower than the industry average. AT&T's minutes have doubled during that period while the minutes for other carriers increased almost ten fold. As a result AT&T's share of long distance access minutes has decreased 38% since the third quarter of 1984.

**TABLE 1.1 - INTERSTATE SWITCHED ACCESS MINUTES
(FIGURES SHOWN IN BILLIONS)**

	TOTAL INDUSTRY		AT&T		AT&T'S SHARE OF	
	ACCESS MINUTES	TERMINATING MINUTES	ACCESS MINUTES	TERMINATING MINUTES	ACCESS MINUTES	TERMINATING MINUTES
1984 THIRD QUARTER	37.5		31.6	18.1	84.2 %	
FOURTH QUARTER	39.6		31.8	18.2	80.2	
1985 FIRST QUARTER	39.6		32.8	19.0	83.0	
SECOND QUARTER	41.5		33.3	19.2	80.3	
THIRD QUARTER	42.8		33.8	19.4	78.9	
FOURTH QUARTER	43.3		33.4	19.2	77.1	
TOTAL 1985	167.1		133.3	77.0		
1986 FIRST QUARTER	43.0		34.2	19.9	79.5	
SECOND QUARTER	44.8		34.7	20.2	77.5	
THIRD QUARTER	46.7	26.7	35.8	20.7	76.6	77.7 %
FOURTH QUARTER	48.5	27.6	35.9	20.6	74.0	74.7
TOTAL 1986	183.1		140.6	81.5		
1987 FIRST QUARTER	51.2	28.9	37.4	21.4	72.9	74.2
SECOND QUARTER	52.5	29.7	38.6	22.1	73.7	74.2
THIRD QUARTER	55.0	30.9	39.2	22.3	71.2	72.1
FOURTH QUARTER	57.0	32.3	40.1	22.6	70.4	70.1
TOTAL 1987	215.7	121.8	155.3	88.4		
1988 FIRST QUARTER	59.0	33.4	41.2	23.3	69.8	69.9
SECOND QUARTER	59.6	33.6	41.1	23.0	69.0	68.5
THIRD QUARTER	62.1	34.9	42.3	23.6	68.2	67.6
FOURTH QUARTER	64.0	35.9	43.0	23.6	67.2	65.8
TOTAL 1988	244.6	137.8	167.6	93.6		
1989 FIRST QUARTER	66.2	37.3	44.2	24.5	66.8	65.7
SECOND QUARTER	68.5	38.1	44.4	24.5	64.8	64.4
THIRD QUARTER	69.7	38.6	44.9	24.7	64.4	64.1
FOURTH QUARTER	72.6	40.0	46.4	25.3	63.9	63.3
TOTAL 1989	277.1	153.9	179.9	99.0		
1990 FIRST QUARTER	74.7	41.2	47.1	25.8	63.0	62.5
SECOND QUARTER	75.8	41.9	47.1	25.7	62.1	61.5
THIRD QUARTER	77.9	43.4	48.7	26.4	62.5	60.9
FOURTH QUARTER	79.1	43.1	49.8	27.8	63.0	64.5
TOTAL 1990	307.4	169.6	192.6	105.8		
1991 FIRST QUARTER	79.2	43.4	49.9	27.1	63.0	62.4
SECOND QUARTER	81.9	44.9	50.5	26.8	61.7	59.6
THIRD QUARTER	82.6	45.1	51.2	27.1	61.9	60.1
FOURTH QUARTER	84.4	46.4	52.4	27.9	62.1	60.0
TOTAL 1991	328.0	179.8	204.0	108.8		
1992 FIRST QUARTER	85.6	47.7	53.3	28.6	62.2 %	59.9 %
SECOND QUARTER	86.5	48.2	51.9	27.9	60.0	57.8
THIRD QUARTER	87.9	49.1	53.0	28.4	60.3	57.9
FOURTH QUARTER	89.8	50.4	53.5	28.8	59.7	57.1
TOTAL 1992	349.7	195.4	211.7	113.6		

**TABLE 1.1 - INTERSTATE SWITCHED ACCESS MINUTES
(FIGURES SHOWN IN BILLIONS)**

	TOTAL INDUSTRY		AT&T		AT&T'S SHARE OF	
	ACCESS MINUTES	TERMINATING MINUTES	ACCESS MINUTES	TERMINATING MINUTES	ACCESS MINUTES	TERMINATING MINUTES
1993 FIRST QUARTER	90.6	51.0	55.5	29.7	61.3	58.1
SECOND QUARTER	91.2	51.9	55.0	29.9	60.3	57.6
THIRD QUARTER	93.6	54.8	56.3	31.4	60.2	57.2
FOURTH QUARTER	95.9	56.4	56.8	31.9	59.3	56.6
TOTAL 1993	371.2	214.1	223.6	122.8		
1994 FIRST QUARTER	98.7	58.2	59.0	31.4	59.8	53.9
SECOND QUARTER	97.9	58.3	57.7	31.1	59.0	53.3
THIRD QUARTER	101.9	60.9	58.5	32.6	57.4	53.5
FOURTH QUARTER	102.9	62.0	59.5	33.3	57.9	53.6
TOTAL 1994	401.4	239.4	234.7	128.3		
1995 FIRST QUARTER	105.6	63.8	59.9	33.6	56.7	52.7
SECOND QUARTER	106.8	64.7	59.3	33.5	55.5	51.8
THIRD QUARTER	109.0	66.7	59.8	34.4	54.8	51.6
FOURTH QUARTER	110.6	67.5	60.8	34.6	55.0	51.2
TOTAL 1995	431.9	262.7	239.8	136.1		
1996 FIRST QUARTER	115.7	71.2	62.4	35.9	54.0	50.5
SECOND QUARTER	114.7	71.5	60.2	35.1	52.4	49.0
THIRD QUARTER	117.8	74.1	60.7	35.5	51.5	48.0
FOURTH QUARTER	120.5	76.2	61.7	35.6	51.2	46.7
TOTAL 1996	468.7	293.0	244.9	142.1		
1997 FIRST QUARTER	122.7	76.9	63.9	37.1	52.1	48.3
SECOND QUARTER	124.8	79.4	63.2	37.1	50.7	46.7
THIRD QUARTER	124.9	78.9	65.3	38.6	52.3	48.9

2. PRESUBSCRIBED LINES

A telephone line is said to be presubscribed to the long distance carrier that receives the ordinary long distance calls placed on that line. In areas where equal access is available (areas now covering more than 99% of the nation's lines), customers may choose a long distance carrier. Thereafter, all of the customer's long distance calls are routed to the chosen carrier unless the customer alters normal dialing procedure. For example, the customer might dial a special code to reach an alternate long distance carrier. In areas where equal access is not yet available, all lines are considered presubscribed to AT&T. By the end of 1996, more than 600 companies were providing long distance service to their own presubscribed customers. If all resellers were included, the number of long distance providers would exceed 800.

Information on the number of lines presubscribed to each long distance carrier was collected by NECA because FCC rules required NECA to recover certain expenses from the larger long distance carriers. A long distance carrier "qualified" for paying these expenses if the number of lines presubscribed to the carrier equaled or exceeded .05% of the nation's presubscribed lines. NECA filed information semi-annually with the Commission. This information is summarized in Table 2.1. Following passage of the Telecommunications Act of 1996, the FCC changed its rules on universal service. At the end of 1996, NECA stopped collecting the presubscribed line data used in this report. As a result, information for December 1996 is the last presubscribed line data collected by NECA.

As of December 1996, NECA reported 158.7 million presubscribed lines in the United States. Special access lines, WATS lines, 800 lines, and other specialized lines are not included in the counts of presubscribed lines. In addition, there are some customers who decide not to choose a long distance carrier and some customers who have toll-restricted lines. Those lines are also not in the count of presubscribed lines.

Table 2.2 lists the market share of presubscribed lines for the top four long distance carriers individually and a composite market share for all other carriers. As of year end 1996, about 63% of the nation's lines were presubscribed to AT&T, 15% to MCI, 7% to Sprint, and 3% to WorldCom (formerly known as LDDS/WorldCom). Over six hundred smaller carriers serving about 19.2 million lines accounted for the remaining 12% of the industry.

Table 2.3 computes the annual rates of growth of presubscribed lines for the top four carriers individually, an annual growth rate for the remaining carriers, and an annual growth rate for the total number of industry lines. The annual growth rates are based on twelve month intervals. Because the information was first made available in December 1987, no annual rates of growth could be calculated until December 1988.

TABLE 2.1 - PRESUBSCRIBED TELEPHONE LINES BY CARRIER

	DEC 96	JUNE 96	DEC 95	JUNE 95	DEC 94	JUNE 94
TOTAL NUMBER OF CARRIERS WITH PRESUBSCRIBED LINES	621	582	583	549	511	454
TOTAL NUMBER OF QUALIFYING CARRIERS	45	43	44	36	35	29
TOTAL NUMBER OF NON-QUALIFYING CARRIERS	576	539	539	513	476	425
QUALIFYING COMPANIES 1/						
AT&T COMPANIES:						
AT&T COMMUNICATIONS	100,177,257	99,599,355	101,138,792	102,502,271	103,957,425	102,421,583
AT&T ALASCOM, INC. 2/	224,192	222,144	218,135	232,525	226,974	222,142
MCI TELECOMMUNICATIONS CORP.	22,938,608	24,338,086	23,911,437	23,459,534	22,040,062	22,286,410
SOUTHERNET						
TELECOM*USA						
TELECONNECT						
SPRINT	11,788,717	10,905,940	9,784,388	9,589,788	9,467,999	9,244,159
LA CONEXION FAMILIAR, INC.						
LONG DISTANCE/USA						
WORLDWIDE 3/	4,297,498	4,110,753	4,088,816	3,683,433	1,954,198	1,831,304
ADVANCED TELECOM CORP. (ATC)						
AMERICAN NETWORK						
CLAYDESTA DIGITAL						
COM SYSTEMS DBA SUN DIAL						
ITT						
METROMEDIA						
MICROTEL						
MID-AMERICAN						
NATIONAL TELECOMMUNICATIONS						
NTS (NATIONAL TELEPHONE SYSTEMS)						
TELUS/TELTEC SAVING						
TOUCH-1 LONG DISTANCE					320,571	161,143
WILTEL 4/					960,004	677,430
MFS INTELENET, INC.	211,085	177,648	106,489			
EXCEL TELECOMMUNICATIONS, INC.	3,792,171	3,313,287	1,486,953	223,235	75,543	
LCI COMPANIES:						
LCI INTERNATIONAL/LITEL 5/	2,244,192	1,965,532	1,227,925	840,968	638,464	614,937
LCI CORPORATE TELEMANAGEMENT GROUP			85,868			
LCI/US SIGNAL CORP. 6/			128,305	121,445	114,026	
FRONTIER COMPANIES: 7/	2,050,019	2,097,182	2,348,301			
FRONTIER dba ALLNET COMM. SVC., INC. 8/	(1,334,100)	(1,317,313)	(1,548,658)	1,650,296	1,334,360	1,078,577
FRONTIER COMMUNICATIONS INT'L 9/	(488,074)	(441,493)	(436,609)	365,841	283,372	278,542
FRONTIER COMM-NORTH CENTRAL REGION 10/	(134,721)	(150,661)	(161,242)	154,038	132,946	
FRONTIER OF THE GREAT LAKES 11/	(93,124)	(97,277)	(95,633)	88,043	84,141	80,573
FRONTIER OF THE WEST 12/		(90,438)	(106,159)	133,300	137,489	144,240
SNET AMERICA LONG DISTANCE	783,135	597,251	304,391	223,844	105,855	
GTE LONG DISTANCE CO.	733,558	169,609				
CABLE & WIRELESS COMMUNICATIONS	625,367	584,802	543,617	524,014	524,153	537,919
TELEFONICA LARGA DISTANCIA	470,267	458,783	452,017	444,205	441,467	446,390
U.S. LONG DISTANCE/ZERO PLUS	356,932	276,153	212,611	149,308	116,802	
UNITED TELEPHONE LONG DISTANCE	289,380	471,687	517,379	545,189	572,010	612,991
TOUCH 1 COMMUNICATIONS	209,905	149,392	134,779	108,550		
CITIZENS TELECOM	206,698	141,636				
LONG DISTANCE SAVERS	185,247	170,359	158,001	151,473	141,697	128,716
BUSINESS TELECOM, INC. (BTI)	177,423	171,239	146,118	132,196	121,822	100,808
INTER CONTINENTAL TELEPHONE	160,084	117,780	134,572	120,932	99,033	84,534
L.D. SERVICES, INC.	143,601	116,239	99,557	90,774		
COASTAL TELEPHONE COMPANY	141,358	133,108	97,917			
NATIONAL TELEPHONE COMMUNICATIONS, INC.	139,185					
VARTEC TELECOM, INC.	137,594	116,898	120,832	136,568	122,991	130,738
CINCINNATI BELL LONG DISTANCE INC.	134,506	120,710	115,398	102,634	102,163	92,302
GENERAL COMMUNICATIONS, INC.	130,994	124,969	119,883	102,813	102,528	102,202
ALLTEL LONG DISTANCE	127,563	78,401				
SWITCHED SERVICES COMMUNICATIONS 13/	126,721					
TELAMERICA, INC.	124,628	122,093	115,403	109,463	105,053	100,282
ATX TELECOMMUNICATIONS SERVICES	122,297	119,843	118,637	113,466	107,979	110,023
ONE CALL COMMUNICATIONS	120,952	110,352	93,613	78,328		
AMERIVISION COMMUNICATIONS	117,120					
CENTURY AREA LONG LINES	116,708	104,143				
ACCESS LONG DISTANCE	107,423	101,914	90,562	81,438		
OCI (ONCOR)	106,742	116,046	128,209	148,918	161,085	163,972
INTERNATIONAL TELECHARGE						
COMMONWEALTH LONG DISTANCE (CLD)	103,421	109,349	139,414	146,663	147,045	125,682
AMERICAN TELCO, INC.	99,806	89,783	83,402			
TWT-HEARTLINE	97,531	118,455	117,739			72,803
ACC LONG DISTANCE CORPORATION	87,667	80,795	79,652		74,482	
MATRIX TELECOM	85,971	89,689	91,031			
TRESCOM INTERNATIONAL, INC.	84,766					
DELTA COM L.D.S.	83,580					
WINSTAR GATEWAY NETWORK, INC		109,991	86,652			
MIDCOM COMMUNICATIONS		79,472	81,386	102,076		
COMMUNIQUE TELECOM					188,295	197,874
WORLDXCHANGE 14/			140,610	127,839	156,055	79,270
CHERRY COMMUNICATIONS			104,367	93,746		
LINTEL (LINCOLN)			79,281	81,010	85,496	88,136
SONIC COMMUNICATIONS 15/					114,041	
TELESPHERE NETWORK 15/						
PUERTO RICO TEL-COM						
NETECH COMM, US WEST						
TOTAL QUALIFYING CARRIERS	154,461,869	152,080,868	149,232,439	146,960,164	145,317,426	142,215,682
NON-QUALIFYING CARRIERS	4,210,374	3,920,356	3,368,738	3,384,888	3,161,902	3,013,060
TOTAL INDUSTRY PRESUBSCRIBED LINES	158,672,243	156,001,224	152,601,177	150,345,052	148,479,328	145,228,742

TABLE 2.1 - PRESUBSCRIBED TELEPHONE LINES BY CARRIER

	DEC 93	JUNE 93	DEC 92	JUNE 92	DEC 91	JUNE 91
TOTAL NUMBER OF CARRIERS WITH PRESUBSCRIBED LINES	436	412	414	425	388	355
TOTAL NUMBER OF QUALIFYING CARRIERS	27	28	28	24	22	24
TOTAL NUMBER OF NON-QUALIFYING CARRIERS	409	384	386	401	366	331
QUALIFYING COMPANIES 1/						
AT&T COMPANIES:						
AT&T COMMUNICATIONS	101,711,178	101,770,741	101,203,888	101,384,413	101,498,260	101,013,529
AT&T ALASCOM, INC. 2/	216,964	218,225	209,850	203,832	203,105	196,244
MCI TELECOMMUNICATIONS CORP.	21,818,212	21,170,832	20,167,298	19,189,649	18,329,870	17,603,453
SOUTHERNET						
TELECOM*USA						
TELECONNECT						
SPRINT	9,212,993	8,621,177	8,856,004	8,424,303	8,353,583	8,702,065
LA CONEXION FAMILIAR, INC.			71,327	72,555		
LONG DISTANCE/USA						
WORLD COM 3/	1,752,616	931,553	482,043	338,820	332,244	134,043
ADVANCED TELECOM CORP. (ATC)			440,961	331,136	333,152	334,157
AMERICAN NETWORK						
CLAYDESTA DIGITAL						
COM SYSTEMS DBA SUN DIAL		134,950	126,190	117,571	116,326	119,034
ITT						
METROMEDIA		538,362	494,864	468,698	476,128	497,187
MICROTEL						
MID-AMERICAN						
NATIONAL TELECOMMUNICATIONS						91,417
NTS (NATIONAL TELEPHONE SYSTEMS)						
TELUS/TELTEC SAVING						
TOUCH-1 LONG DISTANCE	98,044	105,244	110,929			
WILTEL 4/	432,844	339,960	191,076	116,501	87,758	
MFS INTELENET, INC.						
EXCEL TELECOMMUNICATIONS, INC.						
LCI COMPANIES:						
LCI INTERNATIONAL/LITEL 5/	405,644	359,575	338,496	226,350	186,884	163,089
LCI CORPORATE TELEMAGEMENT GROUP						
LCI/US SIGNAL CORP. 6/	109,071	93,155	77,096			
FRONTIER COMPANIES: 7/						
FRONTIER dba ALLNET COMM. SVC., INC. 8/	891,577	846,961	859,499	830,548	813,748	775,847
FRONTIER COMMUNICATIONS INT'L 9/	279,304	260,760	252,495	240,670	190,382	180,321
FRONTIER COMM-NORTH CENTRAL REGION 10/						
FRONTIER OF THE GREAT LAKES 11/	77,699	76,521	71,059			
FRONTIER OF THE WEST 12/	96,539					
SNET AMERICA LONG DISTANCE						
GTE LONG DISTANCE CO.						
CABLE & WIRELESS COMMUNICATIONS	529,398	522,112	513,419	490,228	466,935	448,951
TELEFONICA LARGA DISTANCIA	442,922	436,695	432,701	425,334	419,293	393,034
U.S. LONG DISTANCE/ZERO PLUS						
UNITED TELEPHONE LONG DISTANCE	648,131	625,831	639,341	626,850	596,114	590,187
TOUCH 1 COMMUNICATIONS						
CITIZENS TELECOM						
LONG DISTANCE SAVERS	112,905	98,514	87,687	80,839	77,568	73,696
BUSINESS TELECOM, INC. (BTI)	79,396					
INTER CONTINENTAL TELEPHONE						
L.D. SERVICES, INC.						
COASTAL TELEPHONE COMPANY						
NATIONAL TELEPHONE COMMUNICATIONS, INC.						
VARTEC TELECOM, INC.	117,692	77,258				
CINCINNATI BELL LONG DISTANCE INC.	93,659	93,014	90,841	85,974	79,182	74,387
GENERAL COMMUNICATIONS, INC.	99,911	91,812	97,798	94,229	93,233	90,252
ALLTEL LONG DISTANCE						
SWITCHED SERVICES COMMUNICATIONS 13/						
TELAMERICA, INC.	94,114	92,719	92,860	91,460	85,801	90,887
ATX TELECOMMUNICATIONS SERVICES	104,971	86,186	82,303	70,246		
ONE CALL COMMUNICATIONS						
AMERIVISION COMMUNICATIONS						
CENTURY AREA LONG LINES						
ACCESS LONG DISTANCE						
OCI (ONCOR)	144,511	106,625	87,593			
INTERNATIONAL TELECHARGE					72,813	82,085
COMMONWEALTH LONG DISTANCE (CLD)	113,072	103,407	103,684	93,241		
AMERICAN TELCO, INC.						
TWT-HEARTLINE						
ACC LONG DISTANCE CORPORATION						
MATRIX TELECOM						
TRESCOM INTERNATIONAL, INC.						
DELTACOM L.D.S.						
WINSTAR GATEWAY NETWORK, INC						
MIDCOM COMMUNICATIONS						
COMMUNIQUE TELECOM	189,781	161,398	148,865	133,090	106,892	93,809
WORLDCXCHANGE 14/						
CHERRY COMMUNICATIONS						
LINTEL (LINCOLN)	90,146	91,420	93,427	93,562	94,183	96,415
SONIC COMMUNICATIONS 15/						
TELESPHERE NETWORK 15/						94,666
PUERTO RICO TEL-COM						79,146
NETECH COMM. US WEST		107,063				
TOTAL QUALIFYING CARRIERS	139,963,294	138,162,070	136,423,594	134,230,099	133,013,454	132,017,921
NON-QUALIFYING CARRIERS	2,845,986	2,452,609	2,301,446	2,473,551	2,273,128	1,878,542
TOTAL INDUSTRY PRESUBSCRIBED LINES	142,809,280	140,614,679	138,725,040	136,703,650	135,286,582	133,896,463

TABLE 2.1 - PRESUBSCRIBED TELEPHONE LINES BY CARRIER

	DEC 90	JUNE 90	DEC 89	JUNE 89	DEC 88	JUNE 88	DEC 87
TOTAL NUMBER OF CARRIERS WITH PRESUBSCRIBED LINES	325	314	302	276	253	242	223
TOTAL NUMBER OF QUALIFYING CARRIERS	21	20	20	21	21	20	19
TOTAL NUMBER OF NON-QUALIFYING CARRIERS	304	294	282	255	232	222	204
QUALIFYING COMPANIES 1/							
AT&T COMPANIES:							
AT&T COMMUNICATIONS	100,061,611	99,612,725	99,396,609	100,006,827	100,205,677	100,832,869	101,652,678
AT&T ALASCOM, INC. 2/	182,341	179,175	168,095	165,332	161,572	157,250	152,040
MCI TELECOMMUNICATIONS CORP.	17,434,898	16,864,001	15,055,643	13,671,625	12,149,921	10,941,207	9,990,561
SOUTHERNET					215,384	199,093	183,769
TELECOM*USA		712,263	646,084	533,516			
TELECONNECT					247,042	211,949	156,614
SPRINT	8,743,988	8,148,013	8,167,638	7,674,605	7,197,136	6,382,372	5,836,179
LA CONEXION FAMILIAR, INC.							
LONG DISTANCE/USA						81,692	85,680
WORLDCOM 3/	116,864	70,781	66,576				
ADVANCED TELECOM CORP. (ATC)	355,518	372,260	396,319	262,542			
AMERICAN NETWORK					96,914	78,804	95,926
CLAYDESTA DIGITAL					62,773		71,794
COM SYSTEMS DBA SUN DIAL	118,963	118,225	89,081	87,520			
ITT		360,551	412,197	425,109	420,793	394,707	279,549
METROMEDIA	515,711	198,374	207,599	209,036	215,181	211,210	215,485
MICROTEL					70,273	63,587	
MID-AMERICAN				89,367	97,526	100,113	96,384
NATIONAL TELECOMMUNICATIONS							
NTS (NATIONAL TELEPHONE SYSTEMS)		67,129	77,667	65,692			
TELUS/TELTEC SAVING				134,150	125,339	117,191	105,243
TOUCH-1 LONG DISTANCE							
WILTEL 4/							
MFS INTELENET, INC.							
EXCEL TELECOMMUNICATIONS, INC.							
LCI COMPANIES:							
LCI INTERNATIONAL/LITEL 5/	144,926	137,164	123,748	107,302	92,014		
LCI CORPORATE TELEMANAGEMENT GROUP							
LCI/US SIGNAL CORP. 6/							
FRONTIER COMPANIES: 7/							
FRONTIER dba ALLNET COMM. SVC., INC. 8/	744,452	709,876	677,531	687,097	763,680	818,080	726,974
FRONTIER COMMUNICATIONS INT'L 9/	171,198	150,069	113,329	98,334	83,383	63,574	
FRONTIER COMM-NORTH CENTRAL REGION 10/							
FRONTIER OF THE GREAT LAKES 11/							
FRONTIER OF THE WEST 12/							
SNET AMERICA LONG DISTANCE							
GTE LONG DISTANCE CO.							
CABLE & WIRELESS COMMUNICATIONS	422,534	407,906	394,020	358,290	304,976	256,786	236,000
TELEFONICA LARGA DISTANCIA	375,694						
U.S. LONG DISTANCE/ZERO PLUS							
UNITED TELEPHONE LONG DISTANCE	548,303	524,477	513,033	430,550	285,385	167,025	82,602
TOUCH 1 COMMUNICATIONS							
CITIZENS TELECOM							
LONG DISTANCE SAVERS							
BUSINESS TELECOM, INC. (BTI)							
INTER CONTINENTAL TELEPHONE							
L.D. SERVICES, INC.							
COASTAL TELEPHONE COMPANY							
NATIONAL TELEPHONE COMMUNICATIONS, INC.							
VARTEC TELECOM, INC.							
CINCINNATI BELL LONG DISTANCE INC.	67,689						
GENERAL COMMUNICATIONS, INC.	88,360	82,386	86,089	85,773	83,468	84,807	89,338
ALLTEL LONG DISTANCE							
SWITCHED SERVICES COMMUNICATIONS 13/							
TELAMERICA, INC.	101,968	102,530	100,213	99,038	90,570	94,654	94,292
ATX TELECOMMUNICATIONS SERVICES							
ONE CALL COMMUNICATIONS							
AMERIVISION COMMUNICATIONS							
CENTURY AREA LONG LINES							
ACCESS LONG DISTANCE							
OCI (ONCOR)							
INTERNATIONAL TELECHARGE	83,725	87,751	95,252	71,346			
COMMONWEALTH LONG DISTANCE (CLD)							
AMERICAN TELCO, INC.							
TWT-HEARTLINE							
ACC LONG DISTANCE CORPORATION							
MATRIX TELECOM							
TRESCOM INTERNATIONAL, INC.							
DELTACOM L.D.S.							
WINSTAR GATEWAY NETWORK, INC							
MIDCOM COMMUNICATIONS							
COMMUNIQUE TELECOM							
WORLDCXCHANGE 14/							
CHERRY COMMUNICATIONS							
LINTEL (LINCOLN)	99,594	95,126	96,966	93,353	94,031	92,636	93,352
SONIC COMMUNICATIONS 15/							
TELESPHERE NETWORK 15/	111,386						
PUERTO RICO TEL-COM	99,821						
NETECH COMM. US WEST							
TOTAL QUALIFYING CARRIERS	130,589,544	129,000,782	126,883,689	125,356,404	123,063,038	121,349,606	120,244,460
NON-QUALIFYING CARRIERS	1,819,064	1,776,233	1,598,790	1,390,131	1,297,791	1,315,809	1,222,040
TOTAL INDUSTRY PRESUBSCRIBED LINES	132,408,608	130,777,015	128,482,479	126,746,535	124,360,829	122,665,415	121,466,500

Notes for Table 2.1 - Presubscribed Telephone Lines by Carrier

- 1/ Information for each qualifying company is only shown for years in which the carrier had at least 0.05% of overall presubscribed lines.
- 2/ Purchased by AT&T in 1995.
- 3/ LDDS/WorldCom changed its name to WorldCom, Inc. in May 1995.
- 4/ WorldCom and Wiltel merged on January 5, 1995.
- 5/ Name changed from Litel, December 1994.
- 6/ Name changed from Teledial America, December 1994.
- 7/ The total number of presubscribed lines reported by Frontier in 1995 and 1996 are only for those subsidiaries which meet the qualifying companies' threshold noted in footnote 1 above.
- 8/ Purchased by Frontier in 1995.
- 9/ Name changed to RCI, December 1994.
- 10/ Formerly American Sharecom; purchased by Frontier in 1995.
- 11/ Formerly Schneider Communications; purchased by Frontier in 1995.
- 12/ Formerly West Coast Telecommunications; purchased by Frontier in 1995.
- 13/ Subsidiary of IXC Communications.
- 14/ Name changed from Communications Telesystems International (CTI) in 1995.
- 15/ Company went bankrupt.

TABLE 2.2 - MARKET SHARE OF PRESUBSCRIBED LINES

		AT&T	MCI	SPRINT	WORLDCOM	OTHER CARRIERS
1987	DEC	83.7 %	8.2 %	4.8 %		3.3 %
1988	JUNE	82.2	8.9	5.2		3.7
	DEC	80.6	9.8	5.8		3.9
1989	JUNE	78.9	10.8	6.1	0.0 %	4.3
	DEC	77.4	11.7	6.4	0.1	4.5
1990	JUNE	76.2	12.9	6.2	0.1	4.7
	DEC	75.6	13.2	6.6	0.1	4.6
1991	JUNE	75.4	13.1	6.5	0.1	4.8
	DEC	75.0	13.5	6.2	0.2	5.0
1992	JUNE	74.2	14.0	6.2	0.2	5.4
	DEC	73.0	14.5	6.4	0.3	5.8
1993	JUNE	72.4	15.1	6.1	0.7	5.8
	DEC	71.2	15.3	6.5	1.2	5.8
1994	JUNE	70.5	15.3	6.4	1.3	6.5
	DEC	70.0	14.8	6.4	1.3	7.4
1995	JUNE	68.2	15.6	6.4	2.4	7.4
	DEC	66.4	15.7	6.4	2.7	8.8
1996	JUNE	64.0	15.6	7.0	2.6	10.8
	DEC	63.3	14.5	7.4	2.7	12.1

TABLE 2.3 - ANNUAL RATES OF GROWTH OF PRESUBSCRIBED LINES

		AT&T	MCI	SPRINT	WORLDCOM	OTHER CARRIERS	TOTAL INDUSTRY LINES
1987	DEC						
1988	JUNE						
	DEC	-1.4 %	21.6 %	23.3 %		22.1 %	2.4 %
1989	JUNE	-0.8	25.0	20.2		21.1	3.3
	DEC	-0.8	23.9	13.5		18.7	3.3
1990	JUNE	-0.4	23.4	6.2		10.6	3.2
	DEC	0.7	15.8	7.1	75.5 %	17.3	3.1
1991	JUNE	1.4	4.4	6.8	89.4	19.7	2.4
	DEC	1.4	5.1	-4.5	184.3	11.8	2.2
1992	JUNE	0.4	9.0	-3.2	152.8	13.2	2.1
	DEC	-0.3	10.0	6.0	45.1	17.2	2.5
1993	JUNE	0.4	10.3	2.3	174.9	11.3	2.9
	DEC	0.5	8.2	4.0	263.6	4.7	2.9
1994	JUNE	0.6	5.3	7.2	96.6	16.1	3.3
	DEC	2.2	1.0	2.8	11.5	32.7	4.0
1995	JUNE	0.1	5.3	3.7	101.1	17.6	3.5
	DEC	-2.5	8.5	3.3	109.2	21.8	2.8
1996	JUNE	-2.6	3.7	13.7	11.6	51.6	3.8
	DEC	-0.9	-4.1	20.5	5.1	43.0	4.0

3. TOLL REVENUES

The larger long distance telephone companies (those with over \$109 million in annual operating revenues for calendar year 1996) are required to report their annual revenues to the FCC. Unlike the data on switched access minutes, which exclude intrastate toll calls, the revenues reported include intrastate calls, along with other domestic and interstate calls. For most carriers, no information is publicly available that separates their revenues into interstate versus intrastate service. In 1996, services provided by long distance carriers generated over \$82 billion in revenue. These revenues are shown in Table 3.1. The larger local telephone companies also provide a substantial amount of intrastate toll service. Revenues from the toll traffic handled by local telephone companies remained constant at approximately \$11 billion in 1996. The total toll market is \$93 billion, which is also shown in Table 3.1.

In 1996, AT&T's revenues were \$39 billion, having grown slightly from \$35 billion in 1984. MCI's revenues grew from almost \$2 billion in 1984 to over \$16 billion in 1996. Sprint's revenues grew from about \$1 billion in 1984 to about \$8 billion in 1996. WorldCom's revenues, which were first reported to the FCC in 1989, have grown from \$110 million to over \$4 billion. In 1996, three other companies, Frontier, Excel Telecommunications and LCI, also had long distance revenues exceeding \$1 billion.

Table 3.2 shows market share information based on revenues for long distance carriers and for the total toll market, which includes toll revenues collected by local exchange carriers. AT&T's 1984 toll revenues accounted for about 90% of the revenues received by all long distance carriers and about 68% of all toll calling. In 1996, AT&T's revenues accounted for less than half (48%) of all long distance carrier revenues, and only 42% of all toll calling. MCI's long distance carrier market share has increased from 5% in 1984 to 20% in 1996. Sprint's long distance carrier market share has increased from 3% in 1984 to 10% in 1996. WorldCom's long distance carrier market share has increased from slightly more than 0% in 1989 to 6% in 1996. Smaller long distance carriers increased their share of the market six-fold, growing from less than 3% in 1984 to 17% in 1996.

An annual Hirschman-Herfindahl Index (HHI) also is shown in Table 3.2. The HHI is the sum of squares of the market shares of the companies in a particular industry and is used by the Department of Justice as an initial measure of further concentration in a particular industry resulting from a horizontal merger or acquisition. Since 1984, the HHI has fallen dramatically from 8,155 to 2,823 when calculated based on long distance carrier revenue. The HHI for the total toll market, which includes toll revenues for both long distance carriers and local exchange companies, has fallen from 4,734 to 2,197 over the same period of time.

Table 3.3 shows annual toll revenues divided into three toll categories: intrastate, domestic interstate, and international. Though the total toll revenue figures are composed mostly of telephone service revenues, they also include revenues generated from telegraph, telex, and private line services.¹ The intrastate toll figure includes both intraLATA and interLATA toll revenues. Of considerable interest is the enormous growth (almost 400%) in the international toll market from 1984 to 1996.

¹ The international toll figure comes from Table 1 in *Trends in the International Telecommunications Industry*. The total toll figure comes from Table 3.1, *supra*. Estimates of the intrastate and interstate toll revenues are based on publicly available AT&T and LEC data and proprietary TRS filings which are required from all common carrier telephone service providers that generate any revenue from interstate phone service.

Quarterly reports to stockholders (the source for SEC 10Q filings) represent an alternative source of data on revenues. There are, however, usually differences between revenues reported to the FCC and the revenues reported to stockholders. In the past, the largest differences were related to the treatment of access charges and international settlements. In addition, during recent quarters, AT&T has included revenues from cellular telephone service and other miscellaneous communications related operations in the financial reports to stockholders, causing further differences from the revenues reported to the FCC. Quarterly market share estimates based on financial reports to shareholders are shown in Table 3.4 and are similar to the results produced from annual data.

Notes for Table 3.1 - Total Toll Service Revenues

- 1/ AT&T acquired Alascom August 7, 1995. Each filed separate revenues for 1994 and 1995. In 1996, AT&T and Alascom began filing as a consolidated entity.
- 2/ MCI Telecommunications and Telecom*USA merged in 1989. With the 1996 filing, MCI revised its 1995 revenues. MCI previously reported total operating revenues by SIC code. In its 1995 Annual Report to shareholders, MCI separated its core telecommunications services business from its business ventures and developing markets businesses. Its revenues for 1995 and 1996 now reflect core business information only.
- 3/ In July 1986, GTE Sprint and US Telecom merged into US Sprint. The information shown for GTE Sprint and US Telecom for 1986 is for January 1 - June 30. The information shown for US Sprint for 1986 is for July 1 - December 31. Effective February 26, 1992, the company's name became Sprint Communications Company.
- 4/ LDDS Communications Inc. (which changed its name to WorldCom, Inc. in May 1995) and Advanced Telecommunications Corp. merged in 1992. In 1993, LDDS merged with Metromedia Communications Corp. and Comsystems Network Services. For 1993, only the revenues that were received after the merger are included in LDDS's revenues. Those revenues up to the merger are listed individually for 1993. LDDS and Wiltel merged January 5, 1995. WorldCom acquired MFS Intelenet on December 31, 1996.
- 5/ Metromedia Communications Corp. and ITT Communications Corp. merged during 1988. Information for 1989 was reported separately.
- 6/ Frontier Corporation, the parent company of Frontier Communications International, Inc., acquired ALC Communications, the parent company of AllNet, on August 16, 1995. On May 18, 1995, Frontier Corporation acquired WCT Communications, the parent company of West Coast Telecommunications, which is now known as Frontier Communications of the West, Inc. In addition, on March 17, 1995, Frontier Corporation acquired American Sharecom, which is now known as Frontier Communications of the North Central Region.
- 7/ Allnet and Lexitel merged at the end of 1985.
- 8/ Name changed to RCI Long Distance Inc. in 1994.
- 9/ Company indicated it is strictly a reseller.
- 10/ Excludes \$261 million from marketing services in 1996 and \$143 million in 1995.
- 11/ Name changed from U.S. Long Distance, Inc. in September 1997.
- 12/ Data from the Annual Report to the Colorado Public Utilities Commission for the year ended 1996 for telecommunications carriers regulated pursuant to §40-15-301 C.R.S.
- 13/ Does not include \$10 million from non-communications operations in 1993, \$11 million in 1994, \$9 million in 1995, and \$13 million in 1996.
- 14/ Telesphere Network, Inc. and National Telephone Services, Inc. merged during 1989. In 1991 Telesphere Network, Inc. went into bankruptcy.
- 15/ Estimated by FCC staff.

TABLE 3.2 - REVENUES: MARKET SHARE

BASED ON OPERATING REVENUES OF LONG DISTANCE CARRIERS ONLY								
YEAR	AT&T	MCI	SPRINT	WORLDCOM	ALL OTHER LONG DISTANCE CARRIERS			HERFINDAHL- HIRSCHMAN INDEX (HHI) *
1984	90.1 %	4.5 %	2.7 %		2.6 %			8,155
1985	86.3	5.5	2.6		5.6			7,479
1986	81.9	7.6	4.3		6.3			6,783
1987	78.6	8.8	5.8		6.8			6,298
1988	74.6	10.3	7.2		8.0			5,720
1989	67.5	12.1	8.4	0.2 %	11.8			4,778
1990	65.0	14.2	9.7	0.3	10.8			4,527
1991	63.2	15.2	9.9	0.5	11.3			4,321
1992	60.8	16.7	9.7	1.4	11.5			4,074
1993	58.1	17.8	10.0	1.9	12.3			3,795
1994	55.2	17.4	10.1	3.3	14.0			3,466
1995	51.8	19.7	9.8	4.9	13.8			3,197
1996	47.9	20.0	9.7	5.5	17.0			2,823
BASED ON TOTAL OPERATING REVENUES OF LONG DISTANCE CARRIERS AND TOTAL TOLL REVENUES FOR LOCAL EXCHANGE CARRIERS								
YEAR	AT&T	MCI	SPRINT	WORLDCOM	ALL OTHER LONG DISTANCE CARRIERS	BELL OPERATING COMPANIES	OTHER LOCAL TELEPHONE COMPANIES	HERFINDAHL- HIRSCHMAN INDEX (HHI) *
1984	68.3 %	3.4 %	2.1 %		2.0 %	17.7 %	6.6 %	4,734
1985	67.1	4.3	2.0		4.4	16.5	5.8	4,571
1986	63.5	5.9	3.3		4.9	16.7	5.7	4,129
1987	60.2	6.7	4.4		5.2	17.5	5.9	3,742
1988	56.6	7.8	5.4		6.1	17.0	7.1	3,344
1989	52.3	9.3	6.5	0.2 %	9.1	16.0	6.5	2,920
1990	50.7	11.1	7.5	0.2	8.4	15.8	6.2	2,801
1991	50.2	12.1	7.8	0.4	9.0	14.7	5.9	2,768
1992	49.3	13.5	7.9	1.1	9.3	13.5	5.4	2,715
1993	47.5	14.5	8.2	1.5	10.1	13.1	5.2	2,568
1994	46.0	14.5	8.4	2.8	11.7	11.8	4.8	2,440
1995	44.9	17.1	8.5	4.3	12.0	9.6	3.7	2,390
1996	42.1	17.6	8.5	4.8	15.0	8.5	3.5	2,197

* FCC estimate.

TABLE 3.3 - THE TOLL MARKET
(DOLLAR AMOUNTS SHOWN IN MILLIONS)

	REVENUES			TOTAL TOLL REVENUES	AS PERCENTAGE OF TOTAL TOLL REVENUES		
	INTRASTATE	DOMESTIC INTERSTATE	INTERNATIONAL		INTRASTATE	DOMESTIC INTERSTATE	INTERNATIONAL
1984	\$20,812	\$26,550	\$3,794	\$51,156	40.7 %	51.9 %	7.4 %
1985	21,347	29,349	4,119	54,815	38.9	53.5	7.5
1986	22,753	30,105	4,611	57,468	39.6	52.4	8.0
1987	23,754	29,415	5,350	58,519	40.6	50.3	9.1
1988	25,576	30,625	6,399	62,600	40.9	48.9	10.2
1989	26,228	32,304	7,492	66,024	39.7	48.9	11.3
1990	26,655	31,506	8,631	66,792	39.9	47.2	12.9
1991	26,643	31,837	10,078	68,558	38.9	46.4	14.7
1992	26,202	34,583	11,198	71,983	36.4	48.0	15.6
1993	25,900	36,921	12,470	75,290	34.4	49.0	16.6
1994	28,496	38,262	13,967	80,726	35.3	47.4	17.3
1995	28,570	38,788	16,424	83,782	34.1	46.3	19.6
1996	31,995	42,951	18,335	93,281	34.3	46.0	19.7

TOTAL TOLL MARKET REVENUES BY MARKET SEGMENT

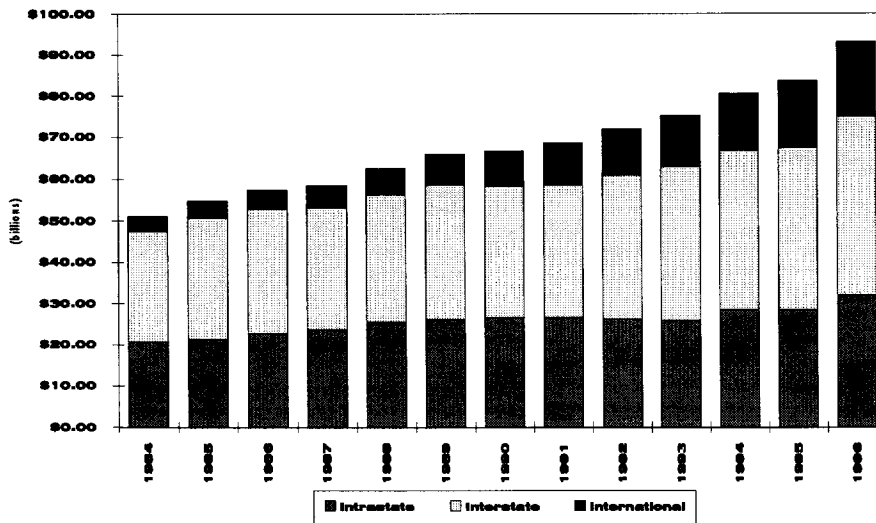


TABLE 3.4 - QUARTERLY TOLL REVENUES REPORTED TO SHAREHOLDERS
(DOLLAR AMOUNTS SHOWN IN MILLIONS)

	AT&T	MCI	SPRINT	WORLDCOM	Others	Total	MARKET SHARE				
							AT&T	MCI	SPRINT	WORLDCOM	Others
1Q84	\$8,684	\$475	\$302		\$404	\$9,865	88.0 %	4.8 %	3.1 %		4.1 %
2Q84	9,169	485	317		423	10,394	88.2	4.7	3.0		4.1
3Q84	9,097	478	307		441	10,323	88.1	4.6	3.0		4.3
4Q84	9,272	521	320		461	10,574	87.7	4.9	3.0		4.4
1Q85	9,369	571	320		482	10,742	87.2	5.3	3.0		4.5
2Q85	9,840	601	322		503	11,266	87.3	5.3	2.9		4.5
3Q85	9,742	649	335		526	11,252	86.6	5.8	3.0		4.7
4Q85	9,838	721	368		549	11,477	85.7	6.3	3.2		4.8
1Q86	9,865	819	395		574	11,652	84.7	7.0	3.4		4.9
2Q86	9,705	943	432		599	11,679	83.1	8.1	3.7		5.1
3Q86	9,642	910	552		626	11,730	82.2	7.8	4.7		5.3
4Q86	9,502	920	589		654	11,665	81.5	7.9	5.1		5.6
1Q87	9,085	1,005	615		683	11,388	79.8	8.8	5.4		6.0
2Q87	9,298	1,002	546		713	11,558	80.4	8.7	4.7		6.2
3Q87	9,474	1,044	685		745	11,948	79.3	8.7	5.7		6.2
4Q87	9,413	1,088	746		779	12,025	78.3	9.0	6.2		6.5
1Q88	9,229	1,212	760	\$9	813	12,023	76.8	10.1	6.3	0.1 %	6.8
2Q88	9,272	1,300	799	11	850	12,232	75.8	10.6	6.5	0.1	6.9
3Q88	9,378	1,437	916	14	887	12,633	74.2	11.4	7.3	0.1	7.0
4Q88	9,578	1,512	930	18	927	12,965	73.9	11.7	7.2	0.1	7.1
1Q89	9,326	1,625	984	21	968	12,923	72.2	12.6	7.6	0.2	7.5
2Q89	9,251	1,719	1,038	26	1,012	13,046	70.9	13.2	8.0	0.2	7.8
3Q89	9,175	1,792	1,111	31	1,057	13,165	69.7	13.6	8.4	0.2	8.0
4Q89	9,239	1,835	1,191	32	1,104	13,400	68.9	13.7	8.9	0.2	8.2
1Q90	9,511	2,001	1,215	34	1,153	13,914	68.4	14.4	8.7	0.2	8.3
2Q90	9,553	2,061	1,239	37	1,205	14,095	67.8	14.6	8.8	0.3	8.5
3Q90	9,626	2,197	1,279	43	1,258	14,402	66.8	15.3	8.9	0.3	8.7
4Q90	9,693	2,197	1,331	41	1,315	14,577	66.5	15.1	9.1	0.3	9.0
1Q91	9,594	2,283	1,339	134	1,373	14,723	65.2	15.5	9.1	0.9	9.3
2Q91	9,637	2,354	1,358	142	1,434	14,925	64.6	15.8	9.1	1.0	9.6
3Q91	9,820	2,412	1,348	164	1,498	15,242	64.4	15.8	8.8	1.1	9.8
4Q91	9,792	2,442	1,343	177	1,565	15,319	63.9	15.9	8.8	1.2	10.2
1Q92	9,873	2,513	1,357	184	1,635	15,562	63.4	16.1	8.7	1.2	10.5
2Q92	9,851	2,606	1,378	198	1,708	15,741	62.6	16.6	8.8	1.3	10.9
3Q92	10,132	2,682	1,432	206	1,784	16,236	62.4	16.5	8.8	1.3	11.0
4Q92	9,724	2,761	1,490	213	1,864	16,052	60.6	17.2	9.3	1.3	11.6
1Q93	9,967	2,810	1,491	219	1,947	16,434	60.6	17.1	9.1	1.3	11.8
2Q93	9,833	2,929	1,510	252	2,034	16,558	59.4	17.7	9.1	1.5	12.3
3Q93	10,142	3,054	1,541	282	2,125	17,144	59.2	17.8	9.0	1.6	12.4
4Q93	9,921	3,128	1,598	392	2,220	17,259	57.5	18.1	9.3	2.3	12.9
1Q94	10,951	3,221	1,660	524	2,319	18,675	58.6	17.2	8.9	2.8	12.4
2Q94	11,072	3,309	1,696	555	2,422	19,054	58.1	17.4	8.9	2.9	12.7
3Q94	11,275	3,407	1,740	569	2,530	19,521	57.8	17.5	8.9	2.9	13.0
4Q94	11,302	3,400	1,709	573	2,643	19,627	57.6	17.3	8.7	2.9	13.5
1Q95	11,388	3,561	1,753	865	2,761	20,328	56.0	17.5	8.6	4.3	13.6
2Q95	11,759	3,706	1,772	895	2,884	21,016	56.0	17.6	8.4	4.3	13.7
3Q95	12,088	3,862	1,827	934	3,013	21,724	55.6	17.8	8.4	4.3	13.9
4Q95	12,042	3,912	1,926	947	3,147	21,974	54.8	17.8	8.8	4.3	14.3
1Q96	12,476	4,050	2,002	1,026	3,288	22,842	54.6	17.7	8.8	4.5	14.4
2Q96	12,613	4,158	2,053	1,061	3,434	23,319	54.1	17.8	8.8	4.5	14.7
3Q96	12,832	4,274	2,084	1,132	3,588	23,909	53.7	17.9	8.7	4.7	15.0
4Q96	12,864	4,302	2,164	1,234	3,748	24,312	52.9	17.7	8.9	5.1	15.4
1Q97	12,658	4,384	2,172	1,677	3,915	24,806	51.0	17.7	8.8	6.8	15.8
2Q97	12,822	4,353	2,219	1,770	4,089	25,253	50.8	17.2	8.8	7.0	16.2
3Q97	13,022	4,343	2,252	1,872	4,272	25,761	50.5	16.9	8.7	7.3	16.6

4. RESIDENTIAL LONG DISTANCE MARKET SHARES

Bill Harvesting data collected by PNR and Associates (PNR) provides information on market shares in the long distance residential market, as opposed to the overall market for toll service. The Bill Harvesting data also provide information on the market shares of long distance carriers by state.

PNR is an economic research and consulting firm located in Jenkinstown, Pennsylvania. PNR conducts nationwide surveys of residential telephone usage and household expenditures on telephone service. These surveys, in which households are asked to mail copies of their phone bills for one month to PNR, are called Bill Harvesting studies.²

PNR has donated databases containing information from their 1995 and 1996 Bill Harvesting studies to the Commission.³ PNR has granted the Commission permission to use these databases for research purposes and to publish the results. Tables 4.1, 4.2, and 4.3, which are based on this information, present market shares for the residential long distance market based on lines, revenues and direct dial minutes. These tables include long distance market shares for AT&T, MCI, Sprint and other long distance carriers.⁴

Results of the Bill Harvesting surveys are interesting in several respects. For instance, AT&T's share of the residential long distance market is larger than its share of the total toll market. This result is consistent regardless of whether market shares are measured in lines, revenues or minutes. AT&T's share of the residential long distance market, by all three measures, dropped sharply from 1995 to 1996. As was the case in the overall toll market for long distance services, most of the growth occurred among smaller competitors. The Bill Harvesting data suggest that AT&T had 70% of presubscribed residential lines in 1996. We can estimate that AT&T's share of business access lines was about 51% by combining Bill Harvesting residential access line data with total access line data for June 1996.

The Bill Harvesting data also indicate that competition is present in all parts of the country. Indeed, smaller competitors appear to be as successful in rural states as in more urban states. Although the Bill Harvesting surveys include several thousand households, sample sizes for individual states can be quite small and therefore subject to large margins of error. Thus, these small sample sizes may limit the usefulness of these data in analyzing differences among states and differences over time.

² PNR and Associates can be contacted by phone at (215)886-9200, and by e-mail at info@pnr.com. Their address is 101 Greenwood Avenue, Suite 502, Jenkinstown, PA 19046.

³ PNR first conducted a Bill Harvesting study in 1994 but the 1994 survey apparently is not fully comparable with later surveys. The 1995 survey is known as "Bill Harvesting II" and the 1996 survey, "Bill Harvesting III."

⁴ Market share for WorldCom is not separated from other long distance carriers in the residential market share data since the 1995 Bill Harvesting study included WorldCom in the category of other long distance carriers.

TABLE 4.1 - MARKET SHARE OF RESIDENTIAL ACCESS LINES BY STATE

	1996					1995				
	AT&T	MCI	SPRINT	OTHERS	SAMPLE SIZE	AT&T	MCI	SPRINT	OTHERS	SAMPLE SIZE
Alabama	69.5 %	14.7 %	2.1 %	13.7 %	95	73.6 %	12.0 %	3.2 %	11.2 %	125
Arizona	73.2	8.7	11.6	6.5	138	78.2	12.1	5.8	3.9	206
Arkansas	72.5	13.0	1.4	13.0	69	75.3	12.3	4.9	7.4	81
California	75.6	12.8	6.3	5.3	742	75.9	15.3	4.8	4.0	793
Colorado	72.6	11.9	9.6	5.9	135	62.3	19.4	6.9	11.4	175
Connecticut	44.6	9.2	6.2	40.0	65	83.1	8.4	2.4	6.0	83
Delaware	64.7	23.5	11.8	0.0	17	87.5	8.3	0.0	4.2	24
Dist. of Columbia	69.2	15.4	0.0	15.4	13	90.9	9.1	0.0	0.0	11
Florida	71.4	10.2	6.4	12.0	451	75.6	12.5	4.3	7.6	536
Georgia	79.5	8.9	4.1	7.5	146	73.3	16.8	3.8	6.1	131
Idaho	72.5	10.0	7.5	10.0	40	78.7	14.8	3.3	3.3	61
Illinois	73.8	15.2	3.8	7.2	290	77.4	13.1	3.3	6.1	359
Indiana	77.0	12.1	3.0	7.9	165	75.3	10.5	4.7	9.5	190
Iowa	72.8	13.2	1.8	12.3	114	78.7	11.6	4.9	4.9	164
Kansas	60.7	14.8	8.2	16.4	61	72.1	13.5	3.6	10.8	111
Kentucky	71.6	14.7	2.0	11.8	102	74.7	11.6	2.1	11.6	146
Louisiana	70.5	12.5	4.5	12.5	88	70.0	18.5	4.6	6.9	130
Maine	81.5	18.5	0.0	0.0	27	74.6	14.3	1.6	9.5	63
Maryland	59.8	23.6	3.9	12.6	127	71.2	17.8	3.1	8.0	163
Massachusetts	74.6	9.8	4.1	11.5	122	82.8	8.9	2.2	6.1	180
Michigan	59.7	18.1	5.0	17.2	221	73.0	12.8	2.8	11.4	359
Minnesota	64.7	17.3	4.0	13.9	173	70.4	15.6	3.2	10.8	250
Mississippi	76.6	4.3	8.5	10.6	47	80.3	13.1	3.3	3.3	61
Missouri	59.1	17.4	3.8	19.7	132	73.8	11.6	6.7	7.9	164
Montana	67.7	16.1	0.0	16.1	31	80.8	11.5	1.9	5.8	52
Nebraska	71.2	17.3	1.9	9.6	52	73.6	13.9	1.4	11.1	72
Nevada	66.0	16.0	16.0	2.0	50	67.5	15.0	10.0	7.5	40
New Hampshire	77.5	10.0	10.0	2.5	40	80.5	7.3	7.3	4.9	41
New Jersey	77.5	11.9	5.6	5.0	160	84.2	10.4	1.0	4.5	202
New Mexico	64.9	10.5	7.0	17.5	57	78.7	11.5	4.9	4.9	61
New York	69.4	15.4	3.7	11.5	461	78.3	11.9	4.1	5.7	663
North Carolina	63.6	14.9	6.7	14.9	195	78.3	11.1	4.4	6.2	226
North Dakota	50.0	18.8	6.3	25.0	16	69.2	7.7	5.1	17.9	39
Ohio	68.3	14.4	4.8	12.5	271	71.5	10.9	5.2	12.4	386
Oklahoma	64.1	12.5	4.7	18.8	64	75.8	12.5	3.3	8.3	120
Oregon	64.1	11.7	6.8	17.5	103	79.6	7.3	4.4	8.8	137
Pennsylvania	66.2	18.0	1.6	14.1	305	70.5	12.4	4.1	13.1	590
Rhode Island	74.1	11.1	3.7	11.1	27	95.7	4.3	0.0	0.0	23
South Carolina	70.4	7.0	5.6	16.9	71	76.9	8.3	2.8	12.0	108
South Dakota	73.9	13.0	0.0	13.0	23	61.7	25.5	2.1	10.6	47
Tennessee	71.5	9.3	4.0	15.2	151	77.0	9.1	3.9	10.0	230
Texas	71.4	14.3	4.0	10.2	420	66.2	15.6	5.4	12.8	461
Utah	59.6	14.0	14.0	12.3	57	68.2	10.6	10.6	10.6	85
Vermont	94.1	0.0	5.9	0.0	17	64.7	17.6	11.8	5.9	17
Virginia	66.9	18.9	4.0	10.3	175	76.5	12.4	5.3	5.8	226
Washington	67.3	10.1	6.9	15.7	159	65.9	15.3	7.6	11.2	170
West Virginia	74.4	18.6	0.0	7.0	43	69.6	17.7	1.3	11.4	79
Wisconsin	67.9	13.9	4.2	13.9	165	75.5	14.9	2.5	7.1	322
Wyoming	80.0	6.7	0.0	13.3	15	94.1	0.0	0.0	5.9	17
Total	69.9	13.7	5.0	11.4	6,708	74.6	13.0	4.2	8.3	8,980

Source: PNR and Associates, Bill Harvesting II and III.

**TABLE 4.2 - MARKET SHARE OF TOTAL LONG DISTANCE CARRIER
RESIDENTIAL REVENUE BY STATE**

	1996					1995				
	AT&T	MCI	SPRINT	OTHERS	SAMPLE SIZE	AT&T	MCI	SPRINT	OTHERS	SAMPLE SIZE
Alabama	60.5 %	17.4 %	5.2 %	16.9 %	99	59.9 %	19.4 %	4.2 %	16.5 %	121
Arizona	56.9	10.4	19.6	13.2	107	74.8	14.1	3.9	7.1	192
Arkansas	70.5	12.3	2.6	14.6	76	65.9	11.5	4.7	17.9	73
California	68.4	15.3	7.1	9.2	752	70.4	16.2	6.9	6.5	741
Colorado	65.5	13.2	5.9	15.5	115	61.5	17.5	6.5	14.4	154
Connecticut	39.0	28.7	6.0	26.3	63	71.2	18.6	1.3	9.0	87
Delaware	55.9	19.5	10.7	13.9	18	79.4	10.9	0.0	9.7	23
Dist. of Columbia	74.6	20.5	1.8	3.1	15	83.6	9.0	0.0	7.4	11
Florida	65.0	12.7	9.2	13.0	438	67.6	12.7	8.8	10.9	503
Georgia	75.7	9.7	3.2	11.4	169	73.6	11.7	6.5	8.2	127
Idaho	75.3	8.3	5.5	11.0	31	71.2	16.5	4.1	8.2	60
Illinois	63.5	14.4	11.5	10.6	289	69.0	19.7	2.6	8.7	342
Indiana	64.0	15.4	4.9	15.7	161	73.0	11.2	4.3	11.5	183
Iowa	65.1	11.7	2.5	20.8	104	70.6	12.6	10.0	6.7	146
Kansas	48.1	17.2	11.4	23.4	73	73.4	11.6	4.2	10.9	108
Kentucky	66.9	18.6	1.6	12.9	109	68.6	16.4	1.1	14.0	143
Louisiana	72.4	8.3	2.9	16.4	106	62.5	12.6	5.4	19.5	128
Maine	55.6	18.5	0.0	25.9	25	63.1	17.3	0.3	19.4	58
Maryland	52.0	26.6	8.0	13.3	135	73.8	13.2	5.5	7.5	154
Massachusetts	75.4	10.6	1.6	12.4	117	75.6	10.6	5.4	8.4	169
Michigan	57.0	20.7	3.5	18.9	217	63.3	16.2	5.0	15.5	341
Minnesota	51.9	27.6	6.7	13.9	138	60.2	22.5	4.0	13.3	230
Mississippi	62.4	8.9	2.9	25.9	49	89.7	6.0	0.9	3.3	60
Missouri	55.3	19.9	4.0	20.8	135	68.0	14.2	3.3	14.6	151
Montana	62.4	16.1	0.0	21.5	25	78.0	18.7	1.7	1.6	50
Nebraska	63.5	20.2	1.6	14.7	46	60.4	17.5	4.3	17.8	69
Nevada	57.8	17.4	18.6	6.2	47	67.9	11.7	6.4	14.0	33
New Hampshire	67.5	10.0	15.5	7.0	39	68.1	16.3	5.4	10.2	40
New Jersey	71.7	14.2	5.1	9.0	166	77.6	15.1	1.4	5.9	195
New Mexico	61.2	8.9	7.8	22.1	48	71.4	7.3	9.0	12.3	56
New York	63.8	18.8	7.4	10.0	449	71.1	15.0	5.6	8.2	603
North Carolina	60.6	16.2	7.2	16.1	189	78.4	9.4	6.0	6.1	216
North Dakota	36.7	24.4	7.5	31.4	13	68.7	5.0	5.5	20.8	34
Ohio	66.1	15.5	4.3	14.1	275	69.1	10.8	5.3	14.8	358
Oklahoma	58.4	16.6	8.2	16.8	77	65.6	23.5	3.5	7.4	109
Oregon	66.0	15.4	3.2	15.5	105	69.8	7.8	6.0	16.4	132
Pennsylvania	62.0	19.1	2.3	16.6	322	62.4	14.8	4.2	18.5	574
Rhode Island	68.6	21.0	2.9	7.5	26	89.6	8.1	0.0	2.2	23
South Carolina	52.9	22.3	9.7	15.1	76	72.2	7.7	10.3	9.8	108
South Dakota	70.2	19.2	0.0	10.6	22	56.8	25.1	3.5	14.5	45
Tennessee	67.3	16.4	4.3	12.0	171	71.1	12.0	6.4	10.5	219
Texas	58.2	17.5	8.8	15.5	471	58.2	20.6	6.7	14.4	418
Utah	65.7	9.3	12.6	12.4	39	76.9	10.2	10.5	2.3	73
Vermont	89.6	0.0	10.4	0.0	14	58.1	13.1	0.5	28.3	15
Virginia	65.5	18.5	3.7	12.3	177	69.4	13.2	9.1	8.3	211
Washington	57.4	8.5	11.1	23.0	156	59.7	13.2	11.8	15.2	153
West Virginia	74.4	7.3	0.8	17.5	40	67.4	15.1	0.5	17.1	74
Wisconsin	64.3	17.1	3.4	15.2	157	68.3	15.4	4.0	12.3	321
Wyoming	88.8	4.3	0.0	6.8	10	78.2	2.8	17.1	1.9	16
Total	63.3	16.0	6.6	14.1	6,701	68.5	14.6	5.6	11.3	8,450

Source: PNR and Associates, Bill Harvesting II and III.
Taxes are not included in total revenue.

**TABLE 4.3 - MARKET SHARE OF RESIDENTIAL LONG DISTANCE CARRIER DIRECT DIAL
TOLL MINUTES BY STATE**

	1996					1995				
	AT&T	MCI	SPRINT	OTHERS	MINUTES	AT&T	MCI	SPRINT	OTHERS	MINUTES
Alabama	58.5 %	12.4 %	6.4 %	22.7 %	11,787	67.3 %	16.0 %	5.7 %	11.0 %	16,385
Arizona	49.5	14.5	17.5	18.5	14,300	76.2	13.9	3.0	6.9	26,871
Arkansas	58.8	22.8	4.8	13.7	5,802	52.9	20.9	4.6	21.6	6,936
California	68.3	15.4	7.5	8.9	104,144	70.9	17.3	7.6	4.1	96,752
Colorado	58.4	16.5	6.3	18.8	14,565	59.6	21.4	4.3	14.7	20,972
Connecticut	35.8	37.8	5.4	20.9	8,674	76.0	15.0	1.3	7.7	11,673
Delaware	45.0	11.9	16.1	27.1	1,544	77.3	11.4	0.0	11.3	2,387
Dist. of Columbia	61.0	32.8	0.0	6.2	3,690	75.6	14.5	0.0	10.0	1,334
Florida	61.1	14.1	9.8	15.0	61,047	71.6	13.4	6.9	8.1	72,362
Georgia	69.1	15.7	3.9	11.3	23,987	72.4	13.3	7.0	7.3	19,640
Idaho	73.3	7.4	4.7	14.6	3,591	69.4	18.4	6.0	6.3	5,638
Illinois	61.3	17.3	10.0	11.4	38,738	70.4	22.3	2.1	5.3	45,772
Indiana	68.1	9.7	6.8	15.3	18,238	76.0	10.2	2.6	11.1	19,449
Iowa	61.8	14.2	1.7	22.3	13,762	67.1	15.5	11.3	6.2	23,683
Kansas	46.4	17.2	12.9	23.5	10,014	71.2	11.8	4.2	12.8	12,259
Kentucky	71.4	11.8	0.7	16.1	12,504	71.1	17.1	1.6	10.2	12,544
Louisiana	70.2	7.7	2.9	19.2	9,366	63.9	21.0	10.9	4.2	15,285
Maine	40.9	11.8	0.0	47.3	2,037	56.7	18.6	0.0	24.7	4,986
Maryland	49.6	25.9	7.1	17.3	16,987	68.7	16.4	4.1	10.9	19,365
Massachusetts	67.0	11.5	3.3	18.2	10,437	74.8	9.8	5.2	10.2	21,182
Michigan	56.4	22.7	3.2	17.7	26,766	62.4	15.8	4.8	17.0	38,142
Minnesota	48.7	27.0	8.6	15.6	17,077	56.4	26.2	4.9	12.6	21,698
Mississippi	57.7	7.1	5.3	30.0	5,276	92.5	5.4	0.2	1.9	6,860
Missouri	51.6	13.7	1.3	33.4	16,546	74.9	14.7	5.3	5.1	16,175
Montana	63.8	9.4	0.0	26.8	4,125	63.2	30.8	0.0	6.0	6,185
Nebraska	60.0	24.9	3.3	11.9	5,094	61.8	13.4	6.8	18.0	6,534
Nevada	61.3	13.0	23.4	2.3	6,279	65.8	12.0	8.4	13.8	5,605
New Hampshire	64.0	9.5	14.9	11.6	4,919	76.4	5.2	8.1	10.2	4,870
New Jersey	76.1	10.2	4.5	9.2	23,931	79.6	13.3	3.0	4.1	26,503
New Mexico	58.8	9.3	13.0	18.9	6,425	74.0	8.0	7.2	10.8	9,266
New York	64.6	18.0	6.9	10.4	54,840	68.2	18.3	6.7	6.8	76,245
North Carolina	58.1	15.2	9.0	17.7	24,741	76.9	10.0	7.6	5.5	31,630
North Dakota	35.8	23.0	0.0	41.2	1,550	67.2	6.3	1.6	24.9	4,837
Ohio	63.2	16.4	5.7	14.7	31,973	71.8	9.7	4.0	14.5	40,054
Oklahoma	38.9	17.0	17.1	27.1	5,272	66.4	22.3	3.4	7.9	12,569
Oregon	62.0	16.8	4.9	16.3	11,164	68.0	9.2	6.9	15.8	14,035
Pennsylvania	56.8	20.2	2.4	20.6	34,951	60.6	16.4	5.3	17.7	58,224
Rhode Island	61.9	22.1	3.8	12.3	2,783	88.3	9.8	0.0	1.9	2,447
South Carolina	59.0	14.9	13.4	12.7	9,329	74.4	12.4	7.2	6.0	14,387
South Dakota	72.8	17.1	0.0	10.1	1,976	54.6	32.2	2.8	10.4	7,173
Tennessee	64.7	16.3	5.2	13.9	24,508	75.2	11.6	4.4	8.9	24,362
Texas	58.3	15.2	9.9	16.6	59,461	57.8	23.9	7.3	11.1	58,182
Utah	41.6	18.1	14.5	25.8	3,923	68.9	18.1	9.6	3.3	7,160
Vermont	80.2	0.0	19.8	0.0	1,190	34.6	39.9	0.6	24.9	2,677
Virginia	64.0	20.2	4.8	11.0	24,394	67.1	15.7	11.6	5.7	30,744
Washington	58.3	10.4	6.7	24.6	17,264	56.6	15.9	13.0	14.5	15,038
West Virginia	65.4	9.7	2.0	23.0	3,896	78.3	13.3	0.0	8.4	6,186
Wisconsin	55.2	22.7	4.1	18.0	20,015	70.7	17.1	2.7	9.5	28,385
Wyoming	80.9	7.3	0.0	11.7	939	65.1	0.0	31.5	3.4	1,588
Total	61.3	16.4	7.0	15.4	835,817	68.6	16.2	5.8	9.4	1,033,236

Source: PNR and Associates, Bill Harvesting II and III.

5. THE INTERNATIONAL LONG DISTANCE TELEPHONE MARKET

Prior to 1985, AT&T was the monopoly provider of international long distance telephone service for U.S. customers. Since 1985 new firms have entered the international long distance business, reducing AT&T's share of this market.

Table 5.1 summarizes the portion of international toll revenues directly attributable to international telephone service. The information in this table is from reports to the FCC by international long distance carriers and does not include international revenues generated from sources such as telegraph, telex, and private lines. In this respect the figures reported in Table 5.1 are different from those shown in Table 3.3.

In 1996 AT&T's international telephone revenues were two and one-half times their 1985 values. International telephone market revenues for the entire industry have grown even faster during this time. In 1996 industry revenues were nearly \$18 billion, five times 1985 industry revenues. Consequently, AT&T's formerly monopolized share of the market has fallen to 48%. At the same time MCI has amassed a 20% share of this market followed by Sprint with 9%. More recently WorldCom, who had no international revenues in 1985, has increased its share of the international long distance market to nearly 4.5%.

TABLE 5.1 - INTERNATIONAL TELEPHONE SERVICE

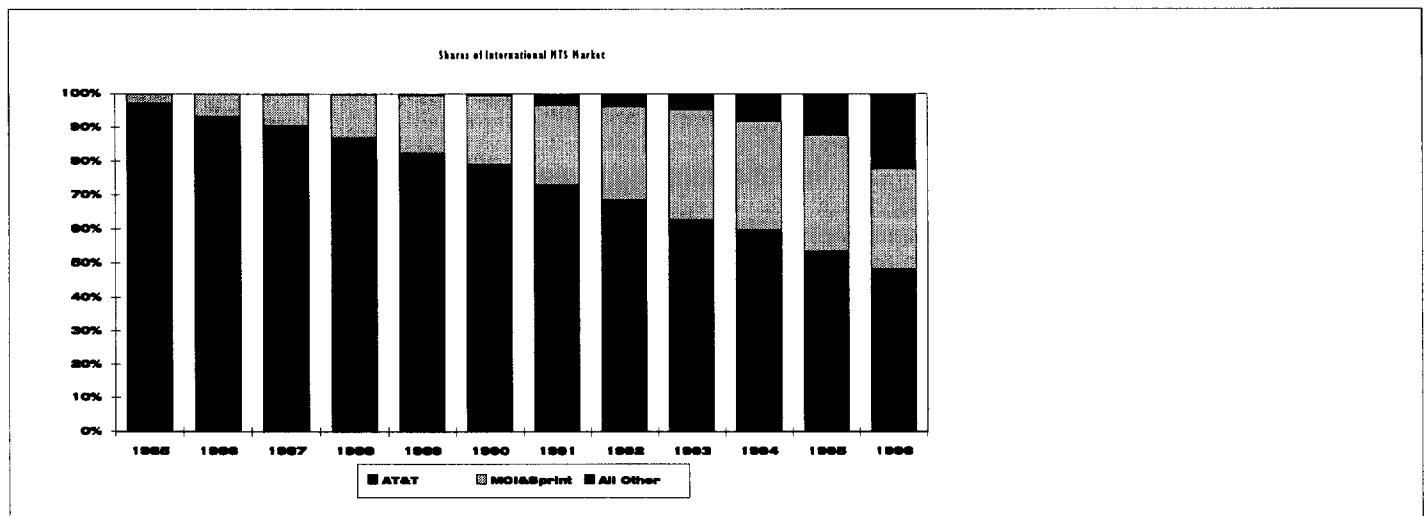
	REVENUES FOR FACILITIES-BASED AND RESALE SERVICE (DOLLARS AMOUNTS SHOWN IN MILLIONS)						MARKET SHARES				
	AT&T 1/	MCI 2/	SPRINT 2/	WORLD COM	OTHER 3/	TOTAL	AT&T	MCI	SPRINT	WORLD COM	OTHER
1984	\$3,197					\$3,197	100.0 %				
1985	3,392	\$78	\$18			3,487	97.3	2.2 %	0.5 %		
1986	3,738	197	70			4,004	93.3	4.9	1.7		
1987	4,307	305	127		\$10	4,750	90.7	6.4	2.7		0.2 %
1988	5,050	517	219		13	5,800	87.1	8.9	3.8		0.2
1989	5,693	795	387		26	6,901	82.5	11.5	5.6		0.4
1990	6,361	1,175	464		43	8,042	79.1	14.6	5.8		0.5
1991	6,962	1,552	692	\$5	325	9,536	73.0	16.3	7.3	0.1 %	3.4
1992	7,314	2,113	849	40	374	10,690	68.4	19.8	7.9	0.4	3.5
1993	7,482	2,814	1,076	100	472	11,944	62.6	23.6	9.0	0.8	4.0
1994	7,984	3,008	1,285	338	759	13,375	59.7	22.5	9.6	1.9	6.3
1995	8,425	4,019	1,357	479	1,465	15,745	53.5	25.5	8.6	3.0	9.3
1996 4/	8,559	3,592	1,581	775	3,203	17,709	48.3	20.3	8.9	4.4	18.1

1/ AT&T 1984-1990 data are from 43.61 international traffic reports, minus revenue for Alaska, Hawaii, and Puerto Rico, plus revenue for Canada and Mexico. AT&T data for Canada and Mexico were taken from Appendices B & C of Trends in the International Telecommunications Industry.

For these years, non-AT&T traffic estimated in Appendices B & C of Trends in the International Telecommunications Industry have been apportioned between MCI and Sprint based on reported international revenues.

3/ Data for 1984-1990 exclude international calls placed from or to Alaska, Hawaii, and Puerto Rico. Data for 1984 do not include about \$5 million of calls handled by the Cuban American Telephone and Telegraph Company.

4/ The 1996 data are based on preliminary reports to the FCC.



APPENDIX 1: METHODOLOGICAL AND SOURCE NOTES

1. Interstate Switched Access Minutes

Industry information on switched access minutes is routinely received from NECA on March 15, June 15, September 15, and December 15 each year. NECA's estimates of total industry minutes are continually revised as additional information is received.

AT&T also files information on its switched minutes on March 15, June 15, September 15, and December 15 each year. On September 24, 1997, AT&T filed revised figures for their interstate switched access minutes from the first quarter of 1993 through the first quarter of 1997. On September 26, 1997, AT&T submitted the following explanation to account for the revised figures: *"The AT&T software process that gathered and computed the originating and terminating interstate CCL access minutes of use, and compensated for associated call setup times, completion ratios and ring before answer times for AT&T's quarterly Minutes of Use Report to the FCC improperly classified some of AT&T's products. The corrected historical data that was provided with this quarter's report corrects for that problem."*

An appendix to *AT&T's Share of the Interstate Switched Market*, released by the FCC on October 22, 1987 (mimeo No. 312), identifies and discusses data sources, technical considerations, and questions of market definition. As indicated there, if certain information were available, a number of minor improvements might be made in the methodology used to calculate the market share ratio involving minutes of use. On balance, however, these changes would make little difference in the market share calculated for AT&T.

800 or 888 calls generate access minutes only on the originating end, but these minutes are typically billed and reported as terminating minutes. WATS calls generate access minutes only on the terminating end. Only originating access minutes are measured for international calls exiting the United States while only terminating access minutes are measured for calls entering the United States.

Terminating minutes serve only as an approximation to conversation minutes as a result of the manner in which terminating minutes are measured. For example, for international calls exiting the United States terminating access minutes are not measured and for some personal 800 number calls terminating minutes are actually counted twice.

2. Presubscribed Lines

Information on the number of lines presubscribed to each long distance carrier was collected by NECA because FCC rules required NECA to recover certain expenses from the larger long distance carriers. This information was previously received twice a year, about six months after the period being reported. Until recently, collecting information on the number of presubscribed lines served by each long distance carrier was necessary in connection with the universal service program. Following passage of the Telecommunications Act of 1996, the FCC changed its rules on universal service. As a result, information for December 1996 is the last presubscribed line data collected by NECA. Thus, the presubscribed line data presented in this report will not be updated in future reports.

3. Toll Revenues

The revenue information shown in Table 3.1 is received annually. The revenues received by long distance carriers that are too small to file revenue reports with the FCC are estimated by the FCC staff.

Under the FCC's Uniform System of Accounts (USOA), AT&T deducts settlement payments to foreign correspondents and adds settlement receipts from foreign correspondents before reporting revenues, whereas revenues are not adjusted in a similar manner to reflect domestic access charges. In AT&T's financial reports to the SEC and shareholders, the treatment of these items has changed over time. From 1984 through 1991, AT&T reported revenues to shareholders after netting out both access charges and international settlement payments and receipts. During this period, revenues reported to shareholders were therefore lower than revenues reported to the FCC. In 1992, AT&T revised its financial reports so that their revenues did not net out either access charges or settlement payments and receipts. Thus, AT&T revenues in financial reports now more closely reflect amounts billed to customers. As a result, revenues reported to shareholders (shown in Table 3.4) are now higher than those reported to the FCC (shown in Table 3.1).

Among long distance carriers, only AT&T and Alascom have been subject to the USOA. Other carriers have followed different practices in reporting revenues and these practices have also changed over time. Some companies, for example, net out uncollectibles. Most smaller carriers do not net out access charges and international settlements when reporting their total revenues to stockholders. MCI, however, followed a course similar to that prescribed by the USOA until 1992. MCI did not net out access charges but did net out international settlement payments and receipts from their revenues. In 1992, MCI stopped netting out international settlements in its financial reports.

The financial information shown in Table 3.4 is based on quarterly reports to stockholders. For AT&T, MCI, Sprint, and WorldCom, we have generally used revenues as first reported to stockholders rather than revenues as later restated. We have, however, restated the revenues reported by AT&T and MCI to reflect the revised treatment of international settlements. In addition, AT&T restated its 1994 revenues to reflect its merger with McCaw Cellular Communications, Inc. The revenues reported for WorldCom for 1991 have been restated to include the merger with Advanced Telecommunications Corporation in 1992. The information in Table 3.4 incorporates these revisions and thus differs from that published previously. For all other carriers, a regression line was calculated from the annual data in Table 3.1. The regression smooths the data and provides quarterly figures.

Due to a series of accounting changes, there are some inconsistencies in the revenue flow measures over time, both for AT&T and other carriers. For example, for periods prior to the first quarter of 1990, the information in Table 3.4 reflects AT&T's total service revenues. Beginning in that quarter, the information reflects AT&T's total telecommunications service revenues. Refinements of the revenue flows to eliminate inconsistencies, however, would have little impact on market share ratios. For example, AT&T's 1994 revenue data (as shown in Table 3.1) might be adjusted upward by about \$3.4 billion so that international settlement payments and receipts are reflected in a manner consistent with other carriers. Similarly, MCI's 1994 revenues might have been adjusted to include \$1.5 billion of telecommunications revenues reported to stockholders but not to the FCC. Indeed, in 1996, MCI restated its 1995 total operating revenues reported to the FCC, revising the figure upward by \$2 billion. MCI is now reporting its total operating revenues to the FCC (as shown in Table 3.1) in a manner consistent with the revenue figure for its core (long distance) business reported in its annual report to shareholders (quarterly breakdowns are shown in Table 3.4). Interested parties should be cautioned that these adjustments and reporting revisions may increase or decrease the individual market shares shown

in Table 3.1 for all long distance carriers. Starting with the fourth quarter of 1995, MCI now shows in its reports to stockholders a revenue figure for just its core business. Hence, we are now using this number in Table 3.4.

The annual total long distance revenue figures shown in Table 3.1 differ from the annual total revenue figures shown in Table 3.4. For 1996, the difference between these two figures is over \$12 billion, the majority of which is attributable to AT&T's data. AT&T reports a larger revenue figure for its communications services to its shareholders than to the FCC. Part of the difference is due to the inclusion of wireless and products and other services revenues in its shareholder reports. The remaining difference appears due to accounting differences for regulatory purposes.

The total international revenue figures shown in Table 3.3 are taken from Table 1 in the *Trends in the International Telecommunications Industry* report published by the FCC. This revenue information includes facilities-based, facilities-resale, and pure resale revenue. Prior to 1991 these different sources of revenue were not reported separately. However, beginning in 1991 pure resale is reported separately from facilities generated revenues.

5. The International Long Distance Telephone Market

The international telephone service revenue figures shown in Table 5.1 are taken from Table 2 in the *Trends in the International Telecommunications Industry* report published by the FCC.

The reports and underlying data described above are available in the Common Carrier Bureau's Public Reference Room, 2000 M Street, N.W., Room 575. We invite comments and suggestions for improving the methodologies and procedures used here. The report can be downloaded [file name: MKSH3Q97.ZIP] from the **FCC-State Link** internet site at <http://www.fcc.gov/ccb/stats> on the World Wide Web. The report can also be downloaded from the **FCC-State Link** computer bulletin board at (202) 418-0241. Copies of the report may be purchased by calling International Transcription Services, Inc. (ITS) at (202) 857-3800. For more information, contact James Zolnierrek or Katie Rangos at (202) 418-0940.

APPENDIX 2: AT&T'S MARKET SHARE

NECA revisions of total industry minutes affect the market share calculated for AT&T because total minutes represent the denominator of the market-share ratio. In Chart A2.1, AT&T's share of interstate switched minutes (based on current information) is compared with its market share as first published. As shown there, AT&T's market share is usually highest initially and then decreases after NECA revises the estimates.

Chart A2.2 is a composite of the alternative measures of AT&T's market share based on minutes, lines and revenues. By all measures AT&T's share of the long distance market has decreased significantly since 1984.

Chart A2.1 - AT&T Share of Interstate Minutes

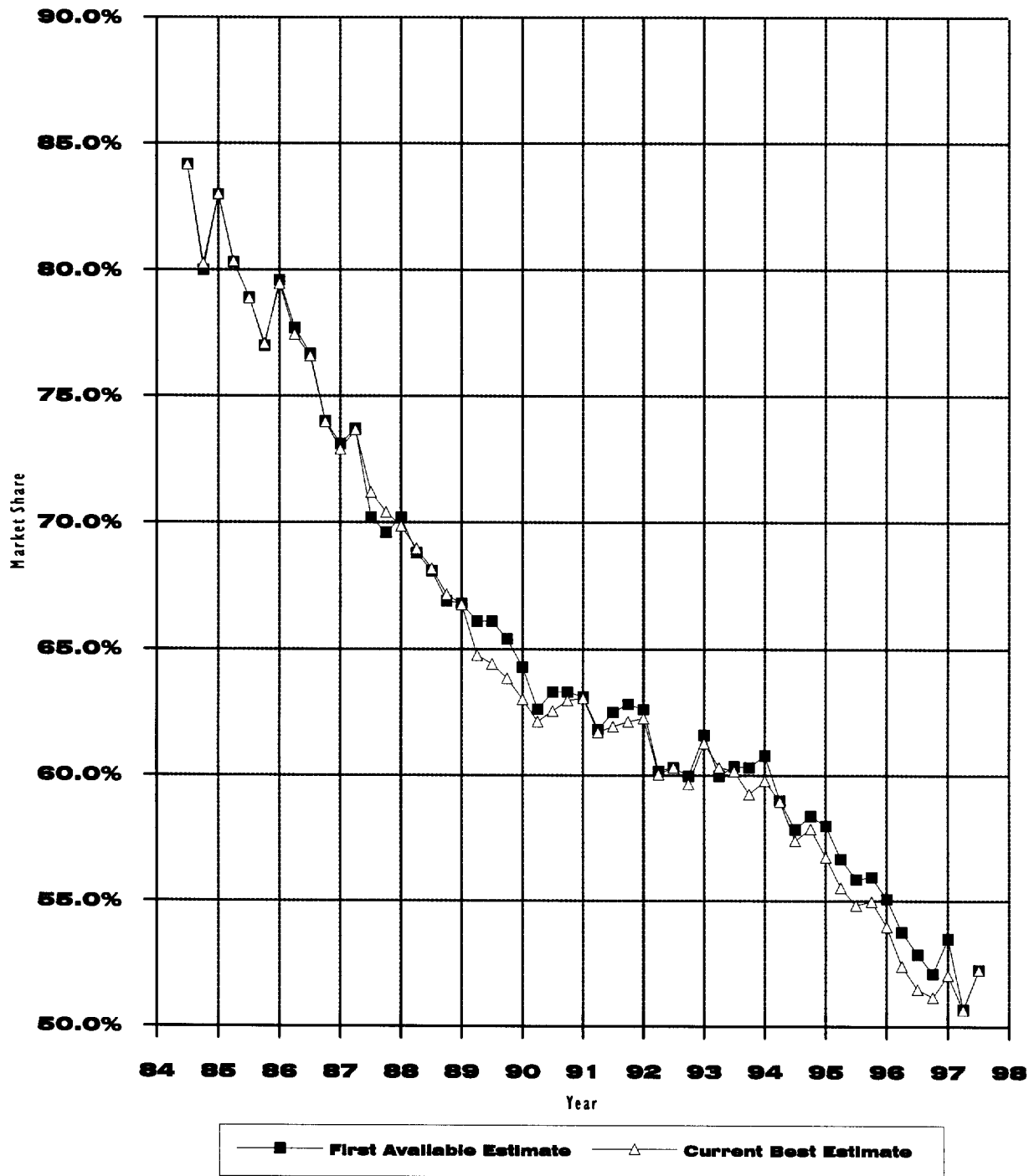
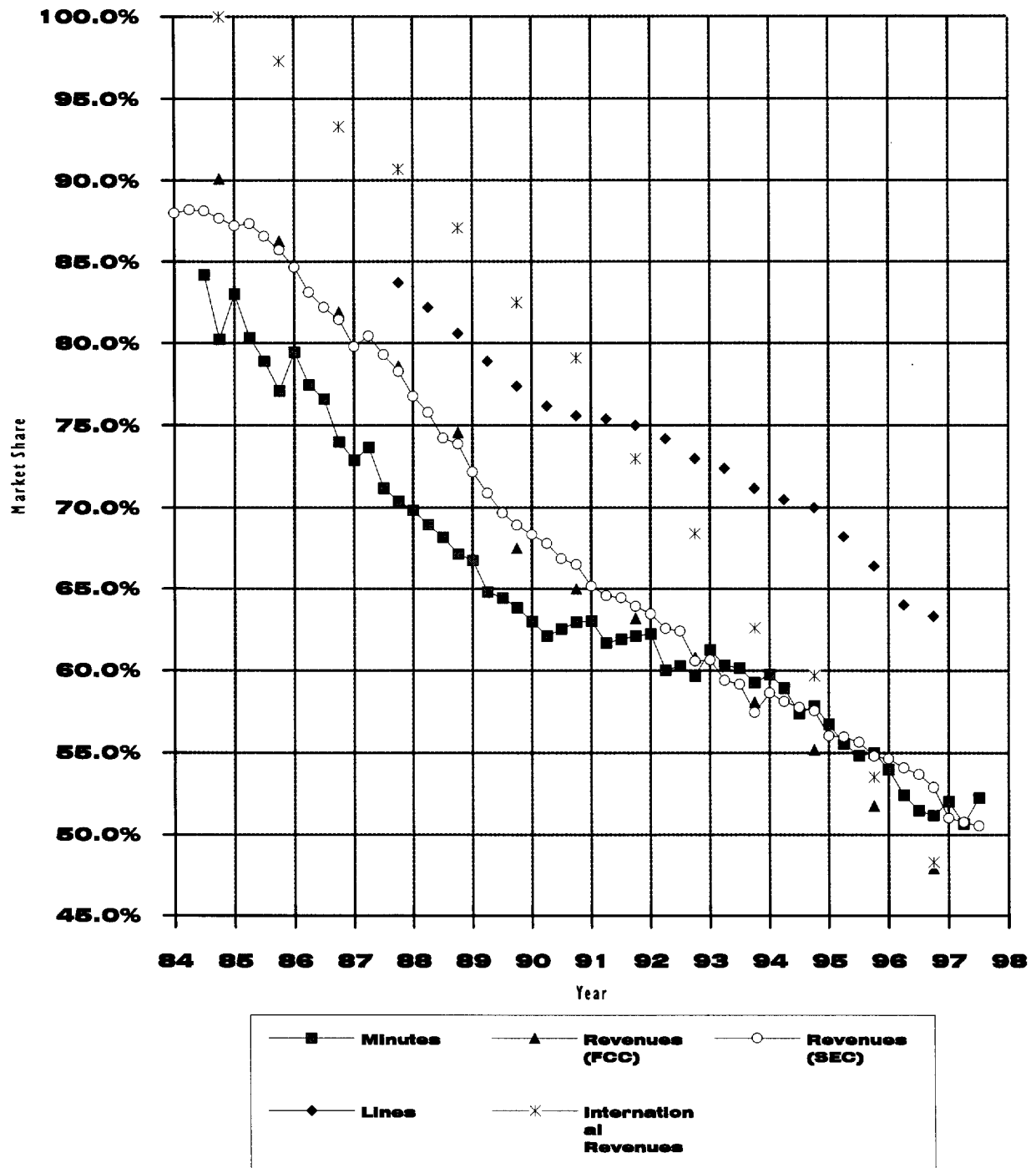


Chart A2.2 - Indicators of AT&T Market Share



APPENDIX 3: PREMIUM VS. NON-PREMIUM ACCESS MINUTES

Table A3.1 shows "premium" minutes as reported by NECA separately from "non-premium" minutes. Premium minutes consist of all carriers dial 1 access minutes in equal access areas and only AT&T's access minutes in areas where equal access is not available. Prior to AT&T's divestiture of its local operating companies in 1984, competitors were unable to obtain connections with local telephone companies that were of equal quality to those offered to AT&T. After the divestiture, local companies began to offer equal access to all long distance carriers. More than 99% of the nation's lines have now been converted to equal access. As non-equal access minutes have virtually disappeared, there is no longer any significant difference between the number of total minutes and the number of equal access minutes.

APPENDIX 3

**TABLE A3.1 - PREMIUM VS. NON-PREMIUM ACCESS MINUTES
(FIGURES SHOWN IN BILLIONS)**

	TOTAL INDUSTRY		
	PREMIUM MINUTES	NON-PREMIUM MINUTES	TOTAL MINUTES
1984 THIRD QUARTER	32.0	5.5	37.5
FOURTH QUARTER	33.6	6.0	39.6
1985 FIRST QUARTER	32.9	6.6	39.6
SECOND QUARTER	34.9	6.6	41.5
THIRD QUARTER	36.6	6.2	42.8
FOURTH QUARTER	38.0	5.3	43.3
TOTAL 1985	142.4	24.7	167.1
1986 FIRST QUARTER	38.8	4.3	43.0
SECOND QUARTER	41.0	3.8	44.8
THIRD QUARTER	43.2	3.5	46.7
FOURTH QUARTER	45.5	3.0	48.5
TOTAL 1986	168.5	14.6	183.1
1987 FIRST QUARTER	48.0	3.2	51.2
SECOND QUARTER	49.3	3.1	52.5
THIRD QUARTER	52.1	2.9	55.0
FOURTH QUARTER	54.4	2.6	57.0
TOTAL 1987	203.9	11.9	215.7
1988 FIRST QUARTER	56.6	2.4	59.0
SECOND QUARTER	57.3	2.3	59.6
THIRD QUARTER	59.8	2.3	62.1
FOURTH QUARTER	61.8	2.2	64.0
TOTAL 1988	235.4	9.2	244.6
1989 FIRST QUARTER	64.1	2.1	66.2
SECOND QUARTER	66.5	2.0	68.5
THIRD QUARTER	67.7	2.0	69.7
FOURTH QUARTER	70.7	1.9	72.6
TOTAL 1989	269.1	8.0	277.1
1990 FIRST QUARTER	72.9	1.9	74.7
SECOND QUARTER	74.0	1.8	75.8
THIRD QUARTER	76.1	1.8	77.9
FOURTH QUARTER	77.4	1.6	79.1
TOTAL 1990	300.4	7.1	307.4
1991 FIRST QUARTER	77.7	1.5	79.2
SECOND QUARTER	80.4	1.5	81.9
THIRD QUARTER	81.2	1.4	82.6
FOURTH QUARTER	83.0	1.4	84.4
TOTAL 1991	322.2	5.8	328.0

APPENDIX 3

**TABLE A3.1 - PREMIUM VS. NON-PREMIUM ACCESS MINUTES
(FIGURES SHOWN IN BILLIONS)**

	TOTAL INDUSTRY		
	PREMIUM MINUTES	NON-PREMIUM MINUTES	TOTAL MINUTES
1992 FIRST QUARTER	84.5	1.2	85.6
SECOND QUARTER	85.4	1.1	86.5
THIRD QUARTER	86.8	1.0	87.9
FOURTH QUARTER	88.8	1.0	89.8
TOTAL 1992	345.5	4.2	349.7
1993 FIRST QUARTER	89.8	0.9	90.6
SECOND QUARTER	90.4	0.8	91.2
THIRD QUARTER	92.9	0.7	93.6
FOURTH QUARTER	95.2	0.6	95.9
TOTAL 1993	368.3	3.0	371.2
1994 FIRST QUARTER	98.1	0.6	98.7
SECOND QUARTER	97.4	0.5	97.9
THIRD QUARTER	101.4	0.5	101.9
FOURTH QUARTER	102.4	0.5	102.9
TOTAL 1994	399.3	2.1	401.4
1995 FIRST QUARTER	105.1	0.4	105.6
SECOND QUARTER	106.4	0.4	106.8
THIRD QUARTER	108.6	0.4	109.0
FOURTH QUARTER	110.2	0.4	110.6
TOTAL 1995	430.3	1.6	431.9
1996 FIRST QUARTER	115.3	0.3	115.7
SECOND QUARTER	114.4	0.3	114.7
THIRD QUARTER	117.5	0.3	117.8
FOURTH QUARTER	120.2	0.3	120.5
TOTAL 1996	467.5	1.2	468.7
1997 FIRST QUARTER	122.5	0.2	122.7
SECOND QUARTER	124.6	0.2	124.8
THIRD QUARTER	124.7	0.2	124.9

Customer Response Survey

Publication: **Long Distance Market Shares: 3rd Quarter 1997**

You can help us provide the best possible information to the public by completing this form and returning it to the Industry Analysis Division of the FCC's Common Carrier Bureau.

1. Please check the category that best describes you:

- ☐ press
- ☐ current telecommunications carrier
- ☐ potential telecommunications carrier
- ☐ business customer evaluating vendors/service options
- ☐ consultant, law firm, lobbyist
- ☐ other business customer
- ☐ academic/student
- ☐ residential customer
- ☐ FCC employee
- ☐ other federal government employee
- ☐ state or local government employee
- ☐ Other (please specify)

2. Please rate the report: Excellent Good Satisfactory Poor No opinion

Data accuracy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Data presentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Timeliness of data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Completeness of data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Text clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Completeness of text	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Overall, how do you rate this report? Excellent Good Satisfactory Poor No opinion

☐ ☐ ☐ ☐ ☐

4. How can this report be improved?

5. May we contact you to discuss possible improvements?

Name:

Telephone #:

To discuss the information in this report, contact:
James Zolnierек or Katie Rangos at 202-418-0940

Fax this response to:

(202) 418-0520

OR

Mail this response to:

FCC/IAD
Mail Stop 1600F
Washington, DC 20554

(Rule 1220—4—2—.55)

(2) Interexchange Carriers.

(a) Definitions.

1. "Certificated interLATA resellers" are non-facilities based telecommunications companies providing intrastate interLATA service as a reseller which are subject to Rule 1220—4—2—.57, and any portion of this rule sub-section in which said resellers are specifically mentioned.
2. "Intrastate interLATA services" are those services that provide two-way voice or data communications between points in different LATAs.
3. "Interexchange carriers" (IXC) are companies owning facilities in the state which consist of network elements and switches, or other communication transmission equipment used to carry voice, data, image, and video traffic across the LATA boundaries within Tennessee (i.e., intrastate interLATA communications) or to carry any other communications traffic approved by the ~~Commission~~ Authority¹ for these carriers.
4. "Local exchange service" is two-way voice or data service that originates and terminates within a local calling area.
5. "Tariff or price filing date" with the ~~Commission~~ Authority shall mean the date on which the new tariff filing or price sheet is first published in the ~~Commission's~~ Authority's weekly tariff sheet.

(b) Certification Requirements.

1. All corporations, business entities, or persons offering intrastate interLATA services shall be required, in accordance with *T.C.A. § 65—4—201*, to obtain a certificate of public convenience and necessity from the ~~Commission~~ Authority before commencing operations in this state. An applicant for such a certificate shall submit, in addition to that information required by *T.C.A. § 65—4—201* and any other applicable state statute or federal court ruling, the following information: (i) its name, address and telephone number; (ii) its corporate ownership; (iii) the name, address and telephone number of its corporate parent or parents, if any; (iv) a list of its officers and directors, or, if the applicant is not a corporation, a list of its principles and their directors if said principles are corporations; and (v) the names, addresses and telephone numbers of its legal counsel.

This sub-part shall not apply to certificated interLATA resellers who shall be subject to the certification provisions of Rule 1220—4—2—.57.

2. Certificates of convenience and necessity previously issued by the ~~Commission~~ Authority authorizing intrastate interLATA service shall remain in effect, and IXCs holding such certificates on the effective date of this subsection are not required to take any additional action as a result of the adoption of this subsection.
3. After public notice and hearing, the ~~Commission~~ Authority shall grant a certificate for intrastate interLATA service if it finds that (i) the applicant possesses sufficient managerial, financial, and technical abilities to provide the service; (ii) the applicant has demonstrated that it will adhere to and abide by all applicable ~~Commission~~ Authority policies, rules and orders; and (iii) that a grant of the certificate is in the public interest.
4. Nothing in this subsection shall be construed to allow an IXC to provide local telephone service without first obtaining a local service provider certificate.

(Rule 1220—4—2—.55, continued)

(c) Tariffing Rules and Regulations.

- 1 Unless the ~~Commission~~ Authority determines otherwise, certificated² interstate interexchange carriers shall be required ~~in accordance with T.C.A. §65—5—202, for informational purposes,~~ to file tariffs and price lists for all intrastate services offered in Tennessee. Such tariffs shall include (i) a description of every intrastate service offered; and (ii) terms and conditions for each service. Such tariffs shall be presumed valid. ~~The Commission may approve such tariffs without the necessity of a formal hearing.~~
2. Each service shall be made available at the rate specified in IXC tariffs to any customer meeting the terms and conditions for that service.
3. ~~Any IXC required to justify a price change or new tariff with the Commission shall bear the burden of proof to show that the tariff filing is just and reasonable.~~
4. ~~Tariff filings or price lists involving new services or rate reductions shall be suspended only upon a showing of good cause.~~

(d) ~~Rate and Price~~ Setting Requirements:

1. ~~IXC services shall be classified as one of two categories of service: 1) direct distance dialing (DDD); and 2) All Other Services.~~
 - (i) ~~DDD rate schedules, rates for operator assisted calls (0+ and 0-) and residential Optional Calling Plans shall be included in the DDD service category.~~
 - (ii) ~~Any new service that is not DDD or a residential calling plan shall be placed in the All Other Services category.~~
2. ~~The Commission shall only establish a price cap for DDD services. The initial price cap for each IXC shall be that company's rate (less any annual access reductions) in effect on the effective date of this rule sub-section.~~
3. ~~The DDD prices and price cap shall be adjusted to reflect any changes in access charges to IXCs. DDD service category rates shall be adjusted within thirty days of any access charge change and the price cap for DDD shall be adjusted on an annual basis. The amount of any access charge change or the DDD service category for each IXC shall be the per minute reduction based on total intrastate minutes of use applied to the intrastate minutes of use in the DDD category for each IXC. The minutes of use shall be those reported in the most recent annual reports under sub-section (2) (i) 6. of this rule.~~
4. ~~Prices for the All Other Services category may be reviewed in accordance with the provisions of this rule sub-section by the Commission.~~

(ed) Price Increases or Decreases.

1. Price reductions shall be presumed valid. ~~and effective on the proposed price list filing date. The Commission may, however, review these reductions within thirty (30) days of the tariff filing upon request of any aggrieved party.~~
2. Prices may be increased ~~thirty (30)~~ seven (7) days after the proposed price list filing date. ~~date and after approval by the Commission, provided, however that prices for the DDD category of services shall not be increased above any Commission prescribed price cap. Affected customers shall be notified by direct mail or by publication of a notice in a newspaper of general circulation in the affected service area thirty~~

(Rule 1220—4—2—.55, continued)

~~(30) day prior to the effective date of any rate increases. A copy of such notice shall be filed with the Commission concurrent with the tariff filing.~~

3. Any change in the previously approved terms and conditions of a service is presumed valid.~~requires thirty (30) days notice to both the Commission and the customer in order to enable the customer sufficient time to qualify for the service.~~

(fe) New Services.

1. New services shall be presumed valid and effective upon filing of tariffs and price lists with the ~~Commission~~ Authority. ~~The Commission may, however, review these tariffs for new services within thirty (30) days of the tariff filing date upon its own motion or upon the petition of any aggrieved party.~~
2. Services or calling plans that automatically convert customers from an existing service shall not be classified as a new service. New services are those which are independent from other previously approved services and are filed separately from any existing service or calling plan.
- ~~3. The Commission may require the submission of additional information to use in setting any initial maximum price cap deemed necessary for DDD services.~~

(gf) Special Services or Contracts.

1. A summary of any special contracts shall be filed with the ~~Commission~~ Authority. The contract shall be made available to the ~~Commission~~ Authority staff upon request. The ~~Commission~~ Authority shall make a copy of the summary of the special contract available for inspection by any interested party subject to appropriate proprietary protections.
2. Special contracts or special pricing packages shall be allowed as long as the service is available at the same rate to any customer meeting the special terms and conditions.
- ~~3. The terms and conditions of the special contract must relate to technological availability and capacity or volume requirements for the service at issue; and shall not include tying or bundling conditions, resale restrictions, or geographical restrictions not mandated by technological availability.~~

(gh) Consumer Safeguards

1. No IXC or certificated interLATA reseller shall de-average rates for interLATA service without prior ~~Commission~~ Authority approval.
2. No IXC or certificated interLATA reseller shall abandon basic service to any location in the state without prior ~~Commission~~ Authority approval.
3. Certificated IXCs shall comply with the technology deployment requirements adopted by the ~~Commission~~ Authority.
4. Certificated IXCs shall comply with service standards adopted by the ~~Commission~~ Authority.
5. Certificated IXCs and certificated interLATA resellers shall comply with all extended area service toll-free calling plans deemed to be in the public interest by the ~~Commission~~ Authority unless otherwise ordered by a court of law.

(Rule 1220—4—2—.55, continued)

6. Failure to comply with the technology, service, toll-free calling requirements, and any other rule or order adopted by the ~~Commission~~ Authority may result in the investigation of whether the IXC's Tennessee operations continue to be in the public interest; and/or the ~~Commission~~ Authority may fine the IXC pursuant to *T.C.A. § 65—4—120* for violation of an Authority ~~Commission~~ Order or pursue any other enforcement remedy provided by state law.
7. All certificated IXCs and interLATA resellers are required to comply with ~~Commission~~ Authority Rule 1220—4—2—.56 when switching a consumer to its preferred interexchange carrier.
8. ~~If the public interest so warrants, the Commission, the IXCs, or any aggrieved party may recommend or petition for the termination of price cap regulation.~~
- 9:8. Nothing in this subsection precludes the ~~Commission~~ Authority from acting on its own motion to suspend a tariff or initiate an investigation on any prices or tariffs filed pursuant to this section.
- 10:9. Certificated IXCs and interLATA resellers shall participate in any support mechanism for Universal Service as may be approved by the ~~Commission~~ Authority.

(i h) IXC Reporting.

1. All IXCs shall be required to maintain books and records in a manner consistent with that required by the Federal Communications Commission for each company unless said reporting requirements are specifically waived or otherwise modified by the ~~Commission~~ Authority.
2. The ~~Commission~~ Authority shall monitor technology applications, quality of service, and market share conditions through reports and oral presentations made by the IXCs. The ~~Commission~~ Authority may request these reports and presentations on a periodic basis as required to provide the evaluation of service levels and technology deployment results and plans.
3. The IXCs shall respond to customer complaints pursuant to ~~Commission~~ Authority Rule 1220—4—2—.13.
4. In accordance with *T.C.A. § 65—4—305*, each IXC shall file annually by April 1st, with the ~~Commission~~ Authority, a statement under oath setting forth accurately the amount of its gross receipts from all sources for the preceding calendar year.
5. ~~Each IXC and certificated interLATA reseller shall file annually with the Commission, on or before April 1st, under oath, schedules and statements as required by T.C.A. § 67—5—1303.³~~
- 6:5. Each IXC shall file reports annually by April 1st containing: (1) a description of new service offerings; (2) total intrastate minutes of use (separated into total DDD intrastate minutes of use and all other services minutes of use); and (3) total intrastate revenues.
- 7:6. Each certificated IXC or certificated interLATA reseller shall file with the ~~Commission~~ Authority any other reports as required by law.
- 8:7. Nothing in this rule precludes the ~~Commission~~ Authority from acting on its own motion to require additional reports which it deems necessary.

Authority: *T.C.A. § 65—2—102, 65—4—104, 65—4—111, 65—4—201, 65—5—202 and 65—5—703. Administrative History:* Original rule filed November 25, 1992; effective January 10, 1993. Amendment filed March 28, 1995; effective June 13, 1995.

ENDNOTES

1. The term “Commission” has been changed to “Authority” throughout these rules.
2. The designation of “interstate” interexchange carriers is not necessary in light of the definition of “interexchange carriers”.
3. Former Section (i) 5 has been deleted. Pursuant to T.C.A. § 67—5—1303, these schedules and statements are now required to be filed annually with the comptroller of the treasury on or before April 1st.

(Rule 1220—4—2—.55)

(2) Interexchange Carriers

(a) Definitions

1. "Certificated interLATAresellers" are non-facilities based telecommunications companies providing intrastate interLATA service as a reseller which are subject to Rule 1220—4—2—.57, and any portion of this rule sub-section in which said resellers are specifically mentioned.
2. "Intrastate interLATA services" are those services that provide two-way voice or data communications between points in different LATAs.
3. "Interexchange carriers" (IXC) are companies owning facilities in the state which consist of network elements and switches, or other communication transmission equipment used to carry voice, data, image, and video traffic across the LATA boundaries within Tennessee (i.e., intrastate interLATA communications) or to carry any other communications traffic approved by the Authority for these carriers.
4. "Local exchange service" is two-way voice or data service that originates and terminates within a local calling area.
5. "Tariff or price filing date" with the Authority shall mean the date on which the new tariff filing or price sheet is first published in the Authority's weekly tariff sheet.

(b) Certification Requirements.

1. All corporations, business entities, or persons offering intrastate interLATA services shall be required, in accordance with *T.C.A. §65—4—201*, to obtain a certificate of public convenience and necessity from the Authority before commencing operations in this state. An applicant for such a certificate shall submit, in addition to that information required by *T.C.A. §65—4—201* and any other applicable state statute or federal court ruling, the following information: (i) its name, address and telephone number; (ii) its corporate ownership; (iii) the name, address and telephone number of its corporate parent or parents, if any; (iv) a list of its officers and directors, or, if the applicant is not a corporation, a list of its principles and their directors if said principles are corporations; and (v) the names, addresses and telephone numbers of its legal counsel.

This sub-part shall not apply to certificated interLATA resellers who shall be subject to the certification provisions of Rule 1220—4—2—.57.

2. Certificates of convenience and necessity previously issued by the Authority authorizing intrastate interLATA service shall remain in effect, and IXCs holding such certificates on the effective date of this subsection are not required to take any additional action as a result of the adoption of this subsection.
3. After public notice and hearing, the Authority shall grant a certificate for intrastate interLATA service if it finds that (i) the applicant possesses sufficient managerial, financial, and technical abilities to provide the service; (ii) the applicant has demonstrated that it will adhere to and abide by all applicable Authority policies, rules and orders; and (iii) that a grant of the certificate is in the public interest.

(Rule 1220—4—2—.55, continued)

4. Nothing in this subsection shall be construed to allow an IXC to provide local telephone service without first obtaining a local service provider certificate.

(c) Tariffing Rules and Regulations.

1. Unless the Authority determines otherwise, certificated interexchange carriers shall be required *for informational purposes*, to file tariffs and price lists for all intrastate services offered in Tennessee. Such tariffs shall include (i) a description of every intrastate service offered, and (ii) terms and conditions for each service. Such tariffs shall be presumed valid.
2. Each service shall be made available at the rate specified in IXC tariffs to any customer meeting the terms and conditions for that service.

(d) Price Increases or Decreases.

1. Price reductions shall be presumed valid.
2. Prices may be increased seven (7) days after the proposed price list filing date.
3. Any change in the previously approved terms and conditions of a service is presumed valid.

(e) New Services.

1. New services shall be presumed valid and effective upon filing of tariffs and price lists with the Authority.
2. Services or calling plans that automatically convert customers from an existing service shall not be classified as a new service. New services are those which are independent from other previously approved services and are filed separately from any existing service or calling plan.

(f) Special Services or Contracts.

1. A summary of any special contracts shall be filed with the Authority. The contract shall be made available to the Authority staff upon request. The Authority shall make a copy of the summary of the special contract available for inspection by any interested party subject to appropriate proprietary protections.
2. Special contracts or special pricing packages shall be allowed as long as the service is available at the same rate to any customer meeting the special terms and conditions.

(g) Consumer Safeguards

1. No IXC or certificated interLATA reseller shall de-average rates for interLATA service without prior Authority approval.
2. No IXC or certificated interLATA reseller shall abandon basic service to any location in the state without prior Authority approval.

(Rule 1220—4—2—.55, continued)

3. Certificated IXC's shall comply with the technology deployment requirements adopted by the Authority.
4. Certificated IXC's shall comply with service standards adopted by the Authority.
5. Certificated IXC's and certificated interLATA resellers shall comply with all extended area service tollfree calling plans deemed to be in the public interest by the Authority unless otherwise ordered by a court of law.
6. Failure to comply with the technology, service, toll-free calling requirements, and any other rule or order adopted by the Authority may result in the investigation of whether the IXC's Tennessee operations continue to be in the public interest; and/or the Authority may fine the IXC pursuant to *T.C.A. §65—4—120* for violation of an Authority Order or pursue any other enforcement remedy provided by state law.
7. All certificated IXC's and interLATA resellers are required to comply with Authority Rule 1220—4—2—.56 when switching a consumer to its preferred interexchange carrier.
8. Nothing in this subsection precludes the Authority from acting on its own motion to suspend a tariff or initiate an investigation on any prices or tariffs filed pursuant to this section.
9. Certificated IXC's and interLATA resellers shall participate in any support mechanism for Universal Service as may be approved by the Authority.

(h) IXC Reporting.

1. All IXC's shall be required to maintain books and records in a manner consistent with that required by the Federal Communications Commission for each company unless said reporting requirements are specifically waived or otherwise modified by the Authority.
2. The Authority shall monitor technology applications, quality of service, and market share conditions through reports and oral presentations made by the IXC's. The Authority may request these reports and presentations on a periodic basis as required to provide the evaluation of service levels and technology deployment results and plans.
3. The IXC's shall respond to customer complaints pursuant to Authority Rule 1220—4—2—.13.
4. In accordance with *T.C.A. §65—4—305*, each IXC shall file annually by April 1st, with the Authority a statement under oath setting forth accurately the amount of its gross receipts from all sources for the preceding calendar year.
5. Each IXC shall file reports annually by April 1st containing: (1) a description of new service offerings; (2) total intrastate minutes of use (separated into total DDD intrastate minutes of use and all other services minutes of use); and (3) total intrastate revenues.
7. Each certificated IXC or certificated interLATA reseller shall file with the Authority any other reports as required by law.

(Rule 1220—4—2—.55, continued)

8. Nothing in this rule precludes the Authority from acting on its own motion to require additional reports which it deems necessary.

Authority: T.C.A. §65—2—102, 65—4—104, 65—4—111, 65—4—201, 65—5—202 and 65—5—203. Administrative History: Original rule filed November 25, 1992; effective January 10, 1993. Amendment filed March 28, 1995; effective June 13, 1995.